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DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 1988

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS UNITED STATES SENATE

ONE HUNDREDTH CONGRESS

FIRST SESSION

PART 1 (Pages 1-703)

AIR FORCE STRATEGIC DEFENSE PROGRAMS
ARMY GUARD AND RESERVE READINESS
DEFENSE MANPOWER REQUIREMENTS
DEPUTY SECRETARY OF DEFENSE
600-SHIP NAVY

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DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 1988

TUESDAY, FEBRUARY 3, 1987

U.S. Senate,
Subcommittee of the Committee on Appropriations,
Washington, DC.

The subcommittee met at 9:35 a.m., in room SD–192, Dirksen Senate Office Building, Hon. John C. Stennis (chairman), presiding.

Present: Senators Stennis, Proxmire, Chiles, Johnston, Sasser, DeConcini, Stevens, Weicker, Garn, McClure, Kasten, D'Amato, and Rudman.

DEPARTMENT OF DEFENSE

Deputy Secretary of Defense

STATEMENT OF THE HON. WILLIAM H. TAFT IV, DEPUTY SECRETARY OF DEFENSE, U.S. DEPARTMENT OF DEFENSE

OPENING STATEMENT OF CHAIRMAN STENNIS

Chairman Stennis. Ladies and gentlemen, the subcommittee will please come to order.

We really have a valuable privilege here today in having Secretary Taft, to come and give us his version of the needs, the facts that support those needs, and other enlightening information with reference to the problem we are faced with in our military preparations.

We have a tremendously large budget this year. As everyone knows, it is the first time it has ever hit the trillion dollar mark. That is too much for me to even think of. Generally the military is asking for a little less than one-third of that total amount. The Secretary is going to give us valuable information and his opinion on matters, too, but first I want to recognize the Senator from Wisconsin and see if he has a short word to say.

RECOGNITION OF SENATOR PROXMIRE

Senator Proxmire, I would recognize you for such brief remarks as you see fit.

Senator Proxmire. Thank you, Mr. Chairman.

Mr. Chairman, I have great respect for the administrators of the Defense Department. I disagree with them, of course, in some respects as we all do, and I have particular admiration for Mr. Taft who has served with distinction now for a number of years in the Defense Department, and I am looking forward to his testimony.

HEARING PROCEDURE

Chairman STENNIS. Well, we are delighted that you are here, Senator. Senator Stevens is still planning to come to this meeting, but he got a call to come to the White House. He had to go down there and help the President. I do not know just how long they may keep him, but he is headed here and he will be recognized in turn.

Mr. Secretary, I said a minute ago that those of us that have been around here a few years find that members of your family come up with things solid and worthwhile, and give us facts that are helpful to us in our problems and to the Nation, and we feel that way about your testimony today. It will be of value.

Now, the real value to the Congress will come from the fact that all these facts and opinions that you are going to express will be put in the record and become available to the membership, to the staff members, to the press, and any other source that may wish to read it, and in that way we get the facts and then formulate conclusions, and then we try to carry out the conclusions that will best serve the country.

So I consider this an important meeting, and I find, myself, in going through your testimony a good number of valuable contributions you are making and that will lead to others.

Now let me thank, too, the members of the staff who have worked on the preparation for this hearing: committee staff, subcommittee staff, and individual Senators' staffs, and of course your staff, too, Mr. Secretary. It is sometimes an overlooked group as to the amount of recognition they get, considering the contribution that they make.

I have a hearing I have just got to go to for a brief period of time that is a matter of concern to the State that I represent. And Senator Proxmire has another one.

So, without any further formalities, Mr. Secretary, we are going to ask you to proceed now with your statement, when I finish a very brief statement I have here, an opening statement, and we will proceed then.

First I am going to ask consent that my opening statement in its entirety—it is 2½ pages long—appear in the record, and certain paragraphs thereof that I read will appear as my spoken testimony.

Now we are going to have a followup hearing here. We have not set any time or date for that, but there will be a followup second hearing that will focus on three strategic systems, the MX missile, the small ICBM, and the B–1B bomber. I will just give notice of that now.

Later in the year, we plan a series of overview hearings with the leaders of each of the military services and, finally, we will conclude with the Secretary of Defense.

In the budget before us now, the DOD has requested $303 billion for fiscal year 1988. This represents a 3-percent real growth over 1987, a lower rate for real growth than DOD has requested over the past 6 years.

This relatively modest increase shows that the DOD recognizes the Congress's major budget problem—the need to work toward a balanced budget. But this is not the only issue that Congress must face this year.

However, in dealing with this budget, Congress must address other important issues, such as the large funding increases proposed for programs such as MX rail garrison basing, the small ICBM, the SDI, Navy and Air Force advanced tactical aircraft, the C-17 cargo aircraft, and the Army light helicopters.

I mention these to show that we are not leaving out things. This is a rather comprehensive, not in-depth hearing on the volume of facts, but essential facts, and the subject matters are all important.

We in Congress also face some hard decisions since we may not be able to afford all that you have requested. Any assistance that you can provide on this problem would be welcome. We are looking for programs that we might reasonably defer and favorable price trends that would allow us to buy at less than budgeted costs.

Now I am going to call on the other Senators who are here when the time comes, but, in the meantime, Mr. Secretary, when you are ready to proceed, you make such presentations at this point as you see fit.

[The opening statement of Chairman Stennis follows:]

PREPARED STATEMENT OF HON. JOHN C. STENNIS

U.S. SENATOR FROM MISSISSIPPI

Good morning.

I want to welcome you to the first meeting of the Defense Appropriations Subcommttee for 1987.

Today we have our first hearing on the Defense budget. Our first witness, the Honorable William H. Taft, Deputy Secretary of Defense, will provide us with an overview of the Defense budget. Secretary Taft is accompanied by The Honorable Robert Helms, Comptroller of the Department of Defense. We are looking forward to a presentation by Secretary Taft on the major policy decisions and trade-offs that are reflected in this budget.

Our next hearing will be the first in a series of hearings on major Defense issues facing the Congress for 1988. This second hearing will focus on three strategic systems—the MX missile, the small ICBM and the B-1B bomber.

Later in the year, we plan a series of overview hearings with the leaders of each of the military services and, finally, we will conclude with the Secretary of Defense.

In the budget before us, DOD has requested $303 billion for 1988. This represents 3 percent real growth over 1987, a lower rate of real growth than DOD has requested over the past six years.

This relatively modest increase shows that DOD recognizes the Congress' major budget problem—the need to work toward a balanced budget. But this is not the only issue that Congress must face this year.

However, in dealing with this budget, Congress must address other important issues such as:

—large funding increases proposed for programs such as MX Rail Garrison Basing, the small ICBM, SDI, Navy and Air Force advanced tactical aircraft, the C-17 Cargo Aircraft and the Army Light Helicopters;

—reduced budget levels for readiness-related items such as conventional munitions, depot maintenance, and aircraft modification programs;

—initial long-lead funding for two nuclear aircraft carriers;

—constrained budgets for the procurement of conventional weapons systems such as tanks, fighting vehicles and tactical aircraft;

—the ability of the Navy to reach and sustain its force goals for ships such as cruisers and destroyers because of the large number of retiring surface vessels;

—the ability of DOD to quickly equip and modernize Guard and Reserve combat units in light of less than planned orders for conventional weapons.

Secretary Taft, we know that DOD has addressed each of these issues in preparing the 1988 budget, and we want to hear your views on them.

We in Congress also face some hard decisions since we may not be able to afford all that you have requested. Any assistance that you can provide on this problem would be welcomed. We are looking for programs that we might reasonably defer and favorable price trends that would allow us to buy at less than budgeted cost.

STATEMENT OF DEPUTY SECRETARY TAFT

Mr. TAFT. Thank you very much, Mr. Chairman.

It is a great pleasure for me to appear before this committee. I have prepared a statement which is quite lengthy, which you have been kind enough to refer to, and I think it does have a lot of important information in it on the achievements of the past 5, 6 years, and what we propose for the future. I would like, if I could, to submit that statement for the record and make just a brief oral presentation here for the committee.

Chairman STENNIS. Well, it is certainly a valuable statement. I have been through every bit of it, and we are delighted to have it in the record. We will admit it, without objection, into the record now, or will make it available for all that are interested, and you make such discussion thereof as you will, and the Members will question you as the two of you see fit.

All right, you proceed, please.

Mr. TAFT. Thank you very much, Mr. Chairman.

Let me also at the outset join with you in saying how much I admire and respect, not to say depend on, the work that my staff does and that your staff does on these budgets. We have, as you said, about a third of the Federal budget, but when you look at the defense budget and what is involved in it and the numbers of accounts and things, it is really more like half of the work that goes into running the budget and administering an enormous financial enterprise. And the people who work on my staff do a superb job, and I am just delighted that you have recognized them, and I would like to recognize yours. They work well together, too, I should say.

Chairman STENNIS. Thank you, sir.

Mr. TAFT. Just to summarize briefly a few points that I would like to make at the outset, this is the seventh budget that the administration has proposed, if you include the 1981 Supplemental that we submitted, and of course in the seventh budget of an administration is not likely that you would find a great deal of radical departure or new innovations. If we have not figured out what we want to do and what our priorities are by now, you would be right to criticize us; we are submitting a budget that is essentially consistent with what we have been doing over the last 6 years, and not a great many new things are in it.

BUDGET REQUEST FOR FISCAL YEAR 1989

There is one new thing that I would like to stress, Mr. Chairman, and it is in the form, also, I respectfully have to say, of a correction as to what we are requesting from the committee. You mentioned that we were requesting a budget of $303 billion in 1988. That is correct. But we are also requesting, Mr. Chairman, this year a budget of $323 billion in 1989.

FY 1988/FY 1989 DoD BUDGET
BUDGET AUTHORITY & OUTLAYS
(Current $ Billions)

	FY 1988	FY 1989
BUDGET AUTHORITY	303.3	323.3
% Real Growth	3.0%	3.0%
OUTLAYS	289.3	303.7

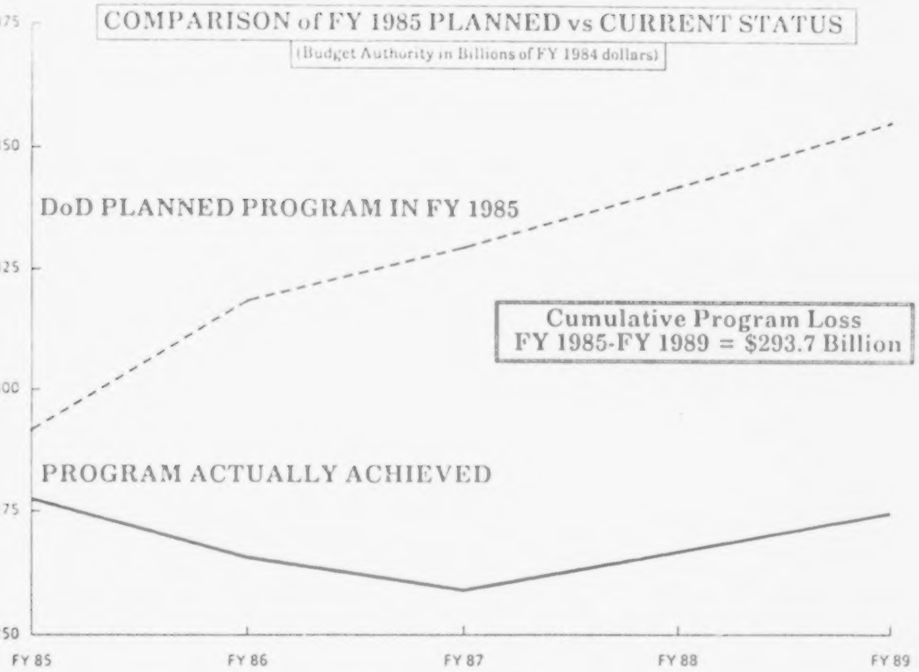
TWO-YEAR BUDGET

We are requesting that this committee and the Congress appropriate a 2-year budget for the Department of Defense.

We have prepared the budget in budget-quality submission for both fiscal years, thoroughly scrubbed, consistent with the congressional direction that we submit such a budget, and also consistent with the Packard Commission's recommendations on this subject. This is a very important step toward stability in the defense program, if we could get a 2-year appropriation for the Department.

So, what we are requesting is 3 percent real growth in both years over the previous year. That is an important innovation that I wanted to note at the outset.

Substantively, the program builds on the prior years that we have proposed and the committee has acted on during the first half of the decade. The priorities of earlier years are reflected in the requests that we have before you, and that is to be expected. But there is another difference. That is, that we have had to address these priorities within a more constrained environment.



REAL 1984 DOLLARS

You have noted that this is the smallest increase in the defense budget that we have requested in the last 5, 6 years, and that is correct, and it has been a great strain, as you can see. In fact, and I am not totally proud of this chart because it describes, in fact, what has been happening to the Department in the 3 years that I have been Deputy Secretary, because it starts with the budget that I inherited in February 1984.

The top line describes that budget that had just been submitted a month before and what we were proposing. I have presided over, unfortunately, the bottom line which reflects the effects of the adjustments. This is a chart in real dollars. So inflation is taken out of this, real 1984 dollars.

As you can see, the gap between where we thought we were headed 3 years ago and where we are going today is considerable—some almost $300 billion in 1984 dollars.

REDUCTIONS TO THE FY 1985 DoD PLAN
BUDGET AUTHORITY
(FY 1984 $ Billions)

	FY 1985	FY 1986	FY 1987	FY 1988	FY 1989	CUM LOSS
MILITARY PERSONNEL	-1.7	-6.2	-3.4	-3.3	-3.7	-18.3
O & M	-3.2	-12.7	-16.8	-18.0	-20.2	-70.9
PROCUREMENT	-8.2	-26.9	-40.8	-47.6	-46.8	-170.3
R D T & E	-2.2	-3.0	-1.1	+ 1.3	-1.0	-6.0
MILITARY CONSTRUCTION/ FAMILY HOUSING	-1.7	-5.1	-5.7	-5.0	-6.1	-23.6
ALL OTHER	-0.9	-1.0	-1.0	-1.0	-1.0	-4.9
TOTAL DOD	**-17.9**	**-54.9**	**-68.8**	**-73.6**	**-78.8**	**-294.0**

BUDGET REDUCTIONS

If we go to the next chart, I can show you that in each year. There is one point I would like to make on this chart in particular. That is, as you can see it describes the first 3 years and the reductions that were made. Then in 1988–89, the reductions that are implicit in the proposals that we have submitted in our budget, all geared to that January 1984 submit, but again in real dollars.

What is interesting to me about this chart and what I would draw to the attention of the committee as very important is that the Congress basically did the cuts in 1986–87. That $55 billion and the $69 billion that you see reduced there, much of that was done by the Congress, not by the administration. Our budget submissions were reduced in those years by about 11 percent and almost 10 percent in each of those years.

But as you go over to 1988–89, the point I would like to stress to the committee is, and I hope you will agree with me, we have done your work for you. We have reductions already in the proposal on the scale of the reductions that you have made from that 1985 plan. So that accounts for the lower rate of increase that we have asked. But I think you will also see that those reductions conform pretty much to what the Congress has been telling us in 1986–87 as to what money is available.

Also of interest in this chart, and what I would point out, is when you compare the two columns that we are proposing with the two columns that the Congress has done, and you look on the inside of them, you will find that essentially we have tended to take the reductions in the same proportion, not exactly the same proportion, but roughly in the same proportion as the Congress has done.

When the Congress, for example, took $69 billion, Congress and ourselves, but mostly the Congress, took the large cuts in 1987, the came out in a proportion not very different from what we have done as we worked through the summer in preparing the fiscal year 1988–89 budgets. There is a very heavy hit in procurement; a very small hit in military personnel; and an intermediate, but as small as we could make it, in the O&M accounts. R&D is a smaller account. You will find that the top three accounts are not that far apart. They run between $75- and $90 billion each.

So taking these types of hits from them is about proportional to the other accounts. Again, if you look across the line you will find that our fiscal years 1988–89 numbers do not differ that much from the fiscal years 1986–87 numbers as to where those reductions have been taken.

BUDGET PRIORITIES

I would like to say a word about what our priorities are and how we have tried to treat them. First, what our priorities are not.

Our priorities are not one service as against another. We add up at the end how the services have come out and see how they fared after we have analyzed all of the programs. We do not allocate them fixed shares. They must prove their programs in competition with each other as we prepare the budget, but as you can see, as it happens, the services have since fiscal year 1987 essentially maintained their shares of the budget.

There were some reports, for example, that the Army had taken a very uneven share of the reductions in the budget.

FY 1988/FY 1989 DoD BUDGET
BUDGET AUTHORITY BY MILITARY COMPONENT
(Current $ Billions)

	FY 1987		FY 1988		FY 1989	
	Dollars	Share	Dollars	Share	Dollars	Share
ARMY	74.5	26.4%	80.1	26.4%	84.8	26.2%
NAVY/ MARINE CORPS	95.3	33.8%	102.3	33.7%	108.7	33.6%
AIR FORCE	93.8	33.3%	100.4	33.1%	107.2	33.2%
DEFENSE AGENCIES/ DEFENSE WIDE	18.1	6.4%	20.5	6.8%	22.6	7.0%
TOTAL	281.7		303.3		323.3	

BUDGET BREAKDOWN BY SERVICES

As you can see, this chart shows that they have not. Their share of the budget is reduced by 0.2 percent in fiscal year 1989 over what it was in fiscal year 1987. So is the Navy's, and the Air Force is about the same, it has gone down 0.1 percent. So there is really not a big shift there at all, as the services have come out.

But let us look at the priorities that are important for us to understand, and I think for the committee to understand in addressing this budget.

PEOPLE PROGRAMS

The first priority that we have had over the years in the Department, and that is maintained in this budget, and I should say that the Congress has been very supportive of over the years, is our people.

FY 1988/FY 1989 DoD BUDGET
Military Personnel Indicators

	1980	1982	1985	1986
Recruiting Quality				
High School Graduates	68%	86%	93%	92%
Mental Categories I thru III	69%	87%	93%	96%
Retention				
Reenlistments - All Regulars	55%	68%	64%	65%
First Term Reenlistments	38%	53%	48%	49%
Career Reenlistments	70%	85%	84%	84%

QUALITY OF LIFE

Their pay and quality of life, we have found, are of the utmost importance if we are to recruit, attract, and retain the highest quality people.

We have been successful, and the Congress shares the credit for this fully in funding the programs we have proposed. We have been successful in raising the quality of recruits since 1980 very significantly, as this chart shows, from 68 percent high school graduates in 1980, to 92 percent in 1986; our mental categories are up comparably to levels that are very much higher than the population as a whole from which we recruit; and our retention is also up, meaning that the training costs of new recruits are down and we save money that way, as well as getting a higher caliber force.

This is done by fair compensation for our people, treating them well—providing them with good living quarters, schools, health care, all of the things that go into their deciding whether to come in and whether to stay in, and so we have tried to protect those kinds of things. The results pay off, and that is our highest priority.

FY 1988/FY 1989 STRATEGIC PROGRAMS

($ in millions)

	FY 1988		FY 1989	
	Quantity	Dollars	Quantity	Dollars
Strategic Defense Initiative	-	5,221	-	6,282
TRIDENT Submarine	1	1,331	1	1,398
TRIDENT Missile	66	2,254	66	2,232
PEACEKEEPER	21	1,326	21	1,400
PEACEKEEPER Follow-on Basing	-	593	-	1,248
E-6A Aircraft	3	347	7	363
Small ICBM	-	2,233	-	2,296

STRATEGIC MODERNIZATION PROGRAM

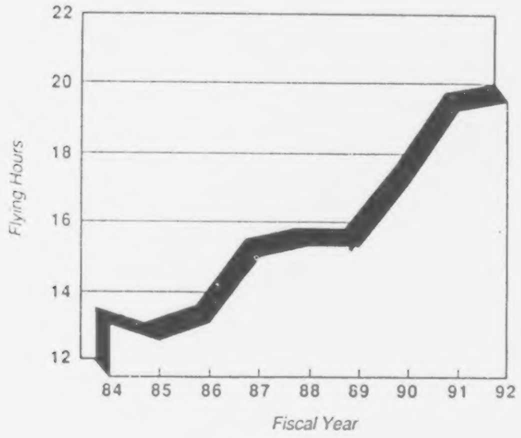
The administration's next priority that is reflected in this budget encompasses the strategic modernization program and the Strategic Defense Initiative. This is not to say, Mr. Chairman, that this portion of the budget has grown radically. Under 15 percent of the total budget that we are requesting is in the strategic area. But these programs that I have identified here, as well as the advanced technology bomber, the figures for which you have separately for the committee, are of the very highest priority.

They provide the deterrent to nuclear war at this time and for the foreseeable future, and we have preserved them to the extent that we can from the fiscal pressure that inure in all the budget. They have been pressured somewhat, but we have tried to keep the Trident submarine program, and the missile on schedule. It is on schedule.

The small ICBM is on schedule. This is a very expensive program, some $20 billion over the 5-year program, and $40 to $50 billion over the life of the program. The Peacekeeper we would like to have in the rail garrison mode, which is being proposed this year for the final $50 billion, and the strategic defense initiative of course is our very highest priority program in this area. This is a research program that has been going extremely well in the 3 years that we have been undertaking it. As you can see there is a very substantial increase being requested over prior years because of the promise that program is showing.

So that also has been protected from these fiscal reductions.

MONTHLY FLYING HOURS PER CREW
(Active Army Forces)



READINESS AND SUSTAINABILITY

The next area of priority for us, and it is again subject to constraints, but we try to do our best by it, is the area of readiness and sustainability. This is just one illustration of that. In flying hours, in the middle part of that chart, in the fiscal years 1988–89 budget we have been able to maintain those levels in flying hours that we have reached coming up from 1980 and 1981, as well as in recent years. We have not, however, been able to increase them or to grow a great deal in the readiness and sustainability area, much though I would like to.

This has been an area where a lot of money is, and if we observe the other priorities this area begins to feel the strain of that. This chart is an example of that. There are others, in the depot maintenance area, in the ammunition, and in missiles, and things of that kind.

MAJOR INTERNAL DoD PROGRAM REDUCTIONS DUE TO FUNDING CONSTRAINTS

JANUARY 1986 - JANUARY 1987

	QUANTITIES FY 1988	 FY 1989
Tactical Aircraft	-106	-121
P-3C Aircraft	-9	-9
UH/EH-60 Helicopter	-30	-24
AHIP	-32	-64
M-1 Tank	-240	-245
Bradley Fighting Vehicle	-254	-252
IR Maverick	-5,226	-5,019
Ammunition Resupply Ship	-1	-

PROCUREMENT OF MAJOR CONVENTIONAL ITEMS

Now we get to the final priority. In that sense, it is not—that is like saying something is the fifth runner up, I guess, in a contest. We certainly feel very strongly about this part of our program, but it is a part that takes the brunt when the fiscal crunch comes. That is, in our procurement of major conventional items where we have had to stretch out, where we have had to cut off early major programs that we would like very much to have. But that is where a lot of our money is, and where these kinds of adjustments can be made.

These are examples. In the procurement area you saw in the original chart that some $170 billion of the $290 billion that has been cut over the program has come from the procurement area. This is illustrative of that in fiscal years 1988–89. I would say again that even on the specifics here this is consistent with the approach that the Congress has taken in recent years, cutting the defense budget by itself, and tactical aircraft for example last year you cut 75 of those, and we are cutting these additional numbers. The Bradley Fighting Vehicle was another area that was reduced.

This is an area where we take these reductions when we have to. We are not proud of them. We wish we did not have to do it, but it is where the money is, and it is the place where the brunt of those needs to balance the budget falls when it comes to the defense budget. That is true whether the Congress does it in fiscal years 1986–87, or whether we do it in fiscal years 1988–89.

ACQUISITION IMPROVEMENTS

- Cost Growth for Major Weapon Systems:
  - end of CY 1980 14%
  - end of CY 1985 <1%
- Multiyear Procurements:
  - FY 1982-FY 1987:
    - 46 multiyear contracts approved;
    - $7.7 billion in projected savings.
  - FY 1988/FY 1989:
    - 9 multiyear programs requested;
    - $1.0 billion in anticipated savings.
- Increased Use of Competitive Contracts:
  - FY 1981: 40 % of all contracts awarded competitively
  - FY 1986: 79 % of all contracts awarded competitively
- Spare Parts Acquisition Initiatives:
  - Savings of $3.8 billion FY 1984 - FY 1986.

DEPARTMENT MANAGEMENT

Let me mention two other items that I know this committee is very interested in before I close. One is in how we buy our programs and the management of the Department.

We have a responsibility to you, and we take it very seriously in the Department, to manage the resources you give us in the best possible way to get the most defense that we can for those resources. We have, I think, done well in eliminating cost growth in major weapon systems over the past 6 years, that 14 percent growth in calendar year 1980 has been less than 1 percent in 1984, and less than 1 percent in 1983, and I believe actually was negative in 1985, although this chart does not show that; it just says "less than 1 percent," but we had 3 years there when it was basically gone.

Cost growth has been solved, if you count all of our major weapons systems together. We have individual programs that are not performing as well as we want, and we have chased them hard and scrubbed them, but overall this is not an epidemic as it was in 1980 in the Department of Defense.

These figures, I should say, do not include the question of estimates for inflation at all. Those have been scrubbed out of these figures. So this is our management performance, not how well we can guess what the economy is going to do. So those figures speak to this point.

MULTIYEAR PROCUREMENT

On multiyear procurements we have done well. We have some $7 billion in savings, and if the Congress approves the nine programs we have requested in the fiscal years 1988–89 budget, we would expect a billion more in savings. We have increased our use of competition in the Department. Up to almost 80 percent last year of all of our contracts were let competitively.

This is in large part responsible for that top number, the reduction in cost growth in the programs. We have frankly done better as a result of competition than I think either we or the Members of the Congress even anticipated. It was a great area for us to emphasize, and it has paid us some great dividends.

SPARE PARTS

In spare parts we have taken that problem on, starting with some of the publicity and problems that we had identified in 1983, and I think again that program is well in hand and saving almost $4 billion in that area.

DOD EFFORTS TO CURB WASTE, FRAUD AND ABUSE

CONTRACT AUDITS:

• Estimated savings	$9.0 billion

INTERNAL AUDIT OF DOD ACTIVITIES:

• DOD, IG estimated savings (since FY 1982, 700 reports)	$4.8 billion

INVESTIGATIVE ACTIVITIES:

• Recoveries, restitutions, fines, and penalties	$100 million

CURBING WASTE, FRAUD, AND ABUSE

We continue also the usual, the more traditional areas with a renewed emphasis, and I would like to thank this committee and the Congress for the support they have given us in this area: contract audits, investigations, internal audits. These all take a lot of people, and we have added hundreds, I think even thousands of people in this area with the support of this committee. They are producing savings on this order as a result of their increased activities, as well as just plain old checks.

These are especially fun, the last line, when the contractor actually just writes us out a check back of refund or recovery, about $100 million, that we had there in that category. But the big savings obviously are in the audits, and those are attributable to the larger number of people we have got out there doing them, and the increased support that we have given those people when they find things wrong and insist on backing them up and getting those savings into the bank. We will be continuing those programs this year with those same work forces.

FY 1987 PERSONNEL, READINESS, AND CRITICAL PROGRAMS SUPPLEMENTAL

($ in Millions)

"MUST PAY" BILLS and READINESS	1,284
Fully Funded 3 Percent Pay Raise	100
Overseas Station Allowance	342
CHAMPUS	340
Training/Related Support	262
Ammunition	240
CONGRESSIONAL PRIORITIES	1,010
Special Operations Forces (SOF)	330
Chemical Demilitarization	500
Operational Test & Evaluation	120
NATO Initiatives	60
STRATEGIC DEFENSE INITIATIVE	500
TOTAL BUDGET AUTHORITY	**2,794**

1987 SUPPLEMENTAL REQUEST

The second and the last item I would like to call to your attention is the supplemental request that we have before you in 1987. Our 1987 level in the congressional budget resolution was actually higher than the appropriations bill that we received by some $2.7 to $2.8 billion. Some of these bills we have identified that we will have to pay in any event, no matter what is done by the Congress. And if we do not find the money from a supplemental request—which, as I say, is within the congressional budget resolution level—we will have to find it from programs that the Congress has already approved and ordered funded.

These things that I list here, the pay raise, the overseas station allowance, which unfortunately I have to say that one is even understated as to what we need because of the decline in the value of the dollar recently, probably understated by about $100 million; the CHAMPUS health insurance program. These are bills that we simply have to find the money for. We think it should be found within the congressional budget resolution levels that were allotted to us. The supplemental would allow us to do that. Otherwise, it will come out of already approved congressional priorities that people thought they were funding.

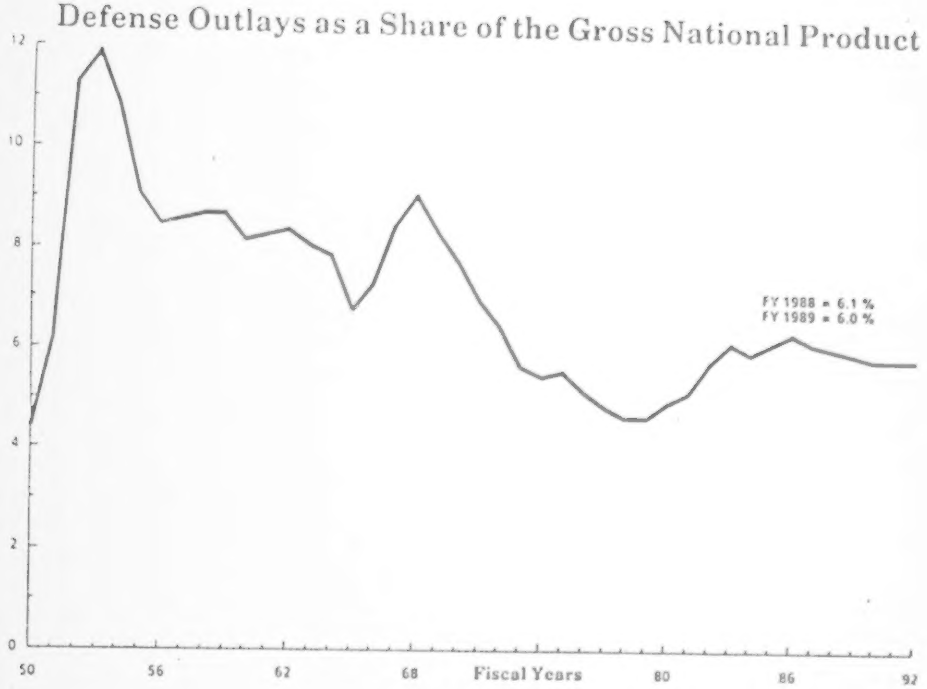
Also, there are some very high congressional priorities in the supplemental. These funds would be necessary if we are going to meet some of the congressional requirements that have been laid on us. For the Special Operations Forces we have a congressional requirement for airlift in that area to reach some goals by 1992. In the area of chemical demilitarization, we have a program that is required by law to be complete by 1994. The operational test and evaluation we have some statutory requirements for reviewing our test and evaluation programs.

So we have put these programs in, again within the budget resolution totals, and we would solicit your support for that.

STRATEGIC DEFENSE INITIATIVE

The strategic defense initiative, as I said earlier, is our highest priority in the strategic programs. It was cut last year by the Congress by about 20 percent from our request, and we think that was a mistake, and we are back to you again with a request not to restore all of that reduction, but a significant piece of it to keep that program, which promises to give us a defense against the threat of a nuclear ballistic missile attack, on track and going forward.

Those are all of the specific points that I would like to cover, Mr. Chairman. I would like to just close by saying that this is a substantial bill that we have presented to you. It is, we think, sufficient to do the job that we have to do of providing for our security. It is not, however, at all adequate to cover all of the risks that we see in the world. We could in the Department usefully apply additional resources to our programs, to our people, to our weapons systems, to our buildings. We have, however, restrained ourselves at this level which appears to be consistent with the congressional directions and sentiments.



Defense Outlays as a Share of the Gross National Product

NATIONAL SECURITY EFFORT

It is an affordable program not just for the Congress but for the country. This chart shows what the country has over the last 35 years devoted to its national security effort. As you can see, we are at the 6-percent level in fiscal years 1988–89 budgets as a proportion of GNP.

That is the burden that our national security program imposes on the economy of the United States. By historical measures, that is not a heavy burden. If you draw a line back straight through the graph from where we end up there at the 6-percent mark, you will find a lot more blue on top of that line than you find white underneath it.

I would further submit that, in that period where we had white underneath it, which is the late 1970's when we were imposing less of a burden on our economy than we are proposing, the world did not go our way too well, we found ourselves too weak, we found our quality of our forces not what it needed to be, our weapons systems not modernized, and our ammunition bins depleted. We need these funds that we are requesting. It is not something the country cannot afford. It is well within our capability to preserve our freedom, our liberty, and the interests of our country and our allies around the world.

I thank you very much, Mr. Chairman, for the opportunity to make these remarks, and I will be very glad to take any questions you or the other members of the committee may have.

[The prepared statement of Mr. Taft follows:]

PREPARED STATEMENT OF HON. WILLIAM H. TAFT IV

DEPUTY SECRETARY OF DEFENSE

FY 1988/FY 1989 DoD Budget

Introduction:

Mr. Chairman and distinguished members of the Committee, I appreciate this opportunity to discuss the President's defense budget for fiscal years 1988 and 1989. Secretary Weinberger and President Reagan are long-time supporters of a two-year budget process and, we are pleased to comply with the FY 1986 DoD Authorization Act by presenting a two-year budget for the Department. We do so willingly and with optimism that this process will provide advantages to both the Department and the Congress. At the same time, we feel that the process cannot be successful without two-year authorization and appropriations for defense programs. All of us within the Administration stand prepared to assist you in your efforts to review our FY 1988 and FY 1989 programs with hopes that you will see fit to enact appropriations for both fiscal years.

If we are successful in obtaining both authorization and appropriations for FY 1988 and FY 1989, this budget will be the last one fully implemented by this Administration for the Department of Defense. When the Adminstration first proposed its defense plan in 1981, the Congress embraced the President's military program enthusiastically and threw its bipartisan support behind our revitalization efforts. However, more recently, we have seen that enthusiasm wane and defense funding levels fall. Unfortunately, this "roller coaster" support for defense budgets has had a like effect on our defense program. As a result of early Congressional support, we have seen dramatic improvements in many areas of our military. We have quality people, with quality equipment, whose capabilities are more developed than at any time in the recent past. But the current wavering support threatens to undermine those improvements. Surely continued progress is not possible if funding levels fail to provide for even small levels of growth. We seek efficiencies and economies wherever we can, but we cannot expect them to generate sufficient savings to offset the effects of lower funding levels.

Lower levels of defense funding, quite simply, mean lower levels of defense. We will have to procure reduced quantities of equipment; we will have to operate and train at reduced rates; and we will have to reduce the level of research and development of future technologies. And, we will have to do this at a time when the challenges confronting this nation are increasing. The President's budget requests a small but essential level of growth for the Department of Defense. It does so within the framework and economic assumptions of the total Federal budget and the deficit targets mandated by Gramm-Rudman-Hollings legislation. We do not challenge the need to control the deficit. But, we must do so without undue risk to the significant progress made in improving our military forces and without undermining our nation's security.

Thus, the funding levels for national defense for the next five years reflect an effort to present a reasonable defense program within a constrained fiscal environment. In the past, we have been criticized for requesting budgets that were supposedly unrealistic. This budget has been received by some members of the Congress as more realistic, which may be true from a fiscal but not from a national security standpoint. Certainly, we have made the hard choices in getting down to these budget levels. And, while reasonable, it is not necessarily realistic in that it does not reflect the total requirement needed to fully address the risks this nation faces. Still, it is a program that will keep us on the road to continued modernization, while sustaining improvements made to date.

The budget before you today requests budget authority of $303.3 billion in FY 1988 and $323.3 billion in FY 1989. This reflects 3 percent real growth per year in funding to sustain improvements made early in this Administration and to continue approved policies and programs. Over the last two fiscal years, defense budget authority has experienced a total real decline of 6.8 percent. The 3 percent growth proposed in the FY 1988/FY 1989 budget will not make up for this decline, but represents the minimum level of resources that must be made available for national security. We cannot continue to experience negative growth in defense funding levels without placing at risk the military improvements accomplished with prior year investments. Outlays are projected at $289.3 billion in FY 1988 and $303.7 billion in FY 1989.

Today I would like to review our budget in terms of:

- Program accomplishments as a result of the $1.6 trillion appropriated to Defense for fiscal years 1982-FY 1987;
- Program adjustments made since January 1984 as a result of Congressional reductions and fiscal constraints on the topline plan;
- The FY 1988-FY 1989 budget;
- The affordability of the budget;
- The defense budget relative to the deficit;
- Management improvements within DoD; and
- The potential for financing the FY 1988-FY 1989 budget.

Accomplishments Since 1980

In the last six years we have seen dramatic improvements in our military capabilities as we have committed more of our nation's resources to defense. Nowhere have our efforts to improve our military forces been more evident than in the quality and the experience of our military personnel. Military pay raises, bonuses, education assistance, better medical benefits, housing and quarters allowances, and other compensation initiatives have played an important role in the overall improvement in personnel readiness. Under this Administration, active force strength has increased approximately 117,000 and reserve strength by about 272,600. The military services continue to achieve their overall recruiting objectives while maintaining excellent quality in new recruits and retaining our best people for longer careers. Currently, 93 percent of all recruits have high school diplomas, up from less than 70 percent in FY 1980. The overall reenlistment rate is 64 percent, up from 55 percent in FY 1980. The deterioration in military pay that occurred in the 1970s has been reversed. Although pay increases were capped at 4 percent per year between FY 1983 and FY 1985 and at 3 percent in FY 1986, these pay increases plus initiatives in the areas of allowances and bonuses have resulted in a significant positive effect upon recruiting and retention.

As a result of the emphasis placed by this Administration on the contribution of the reserves to the total force, the Ready Reserve has grown by nearly 29 percent since FY 1980 and now accounts for 43 percent of the total manpower as compared with 38 percent in FY 1980.

More realistic training is being emphasized. Air Force tactical aircrews get 19.6 hours flying time per month, up from 16 hours in FY 1980, while Navy crews are getting 25 hours, nearly double their Warsaw counterparts. Ship steaming hours have increased 5 percent since 1970 and Army battalion rotations through the National Training Center have quadrupled since 1981.

The Army has increased its divisional force structure from 24 to 28 divisions and fielded the equivalent of 32 M-1 tank battalions, including three for the Army National Guard. Additionally, 63 percent of the force has been equipped with the Bradley Fighting Vehicle, 24 Multiple Launch Rocket Systems (MLRS) have been fielded, and over half of the Patriot air defense missiles have been procured.

Sixty-six Peacekeeper missiles have been funded through FY 1987 and the program is on track with 15 successful tests, including 7 silo launchings. The first of 50 MX missiles have been installed in Minuteman silos and are now operational. Another 27 will be positioned in silos by the end of FY 1987. Funding has been provided for all 100 B-1B strategic bombers and the first ones are now being deployed.

Eight Trident submarines have been delivered and 6 more are under construction. Three battleships have been reactivated and the fourth will be in service next fall. In addition, sealift mobility capabilities have increased more than 50 percent.

Improvements have been made in family housing and more than 50 percent of the World War II era buildings identified as obsolete and inefficient have been replaced. New facilities have been constructed to support both the operating forces and new weapon systems.

Finally, I am pleased to mention one of our most significant accomplishments in acquisition and management. Multi-year contracts approved by the Congress for FY 1981 through FY 1987 will save the Department of Defense $7.7 billion.

Program Adjustments Since 1984

However, the budget environment has changed and in recent years, Congressional concern over the deficit has, in effect, held the defense budget hostage to federal spending reductions to lower the deficit.Since transmittal of the President's FY 1985 budget in January 1984, defense budget authority has been reduced continuously and dramatically. The reductions began in March 1984 when the Rose Garden compromise led to lower defense budget levels in return for a promise of future congressional support. The reductions to the FY 1985-FY 1989 budget plan now total $415 billion. Some would contend that the reductions were offset by lower inflation. And, while it is true that one of the most dramatic successes of this Adminstration has been the elimination of the high inflation rates ravaging the economy in 1981, only $121 billion of this reduction is attributable to inflation. That leaves the stark fact that we have had cumulative program losses valued at $294 billion. That figure represents loss of defense program - aircraft, missiles, tanks, research, maintenance, training, etc. Those who look at our budgets and see that we are still buying these weapon systems and funding these efforts fail to realize that these programs often have been stretched or delayed, resulting in inefficiencies and loss of procurement and production economies. Program deferrals and stretchouts are typically actions taken by the Congress to reduce defense funding levels. However, more and more often the Department has been forced to take these actions in order to accommodate reductions and meet constrained fiscal controls dictated by Gramm-Rudman-Hollings.

More than half of the adjustments were in procurement accounts where modernization efforts have been delayed. We have reduced the plan to buy 450 tactical aircraft, 497 training aircraft, 1,840 tracked combat vehicles, and 165,000 missiles for the Army, Navy, and Air Force. Our sustainability goals for ammunition have been delayed 3 to 4 years. Cutbacks in equipment replacement and modernization has resulted in the retention of older tactical communications systems that break down more often, are harder to fix, and are more easily jammed. Reductions in the procurement of spare parts limit support for shore and afloat sites and decrease tactical air force sustainability. Ship modification reductions have required the operation of ships with less capable fire control systems, hull equipment, countermeasures equipment, and propulsion plants. Reductions have increased vehicle downtime and maintenance, as well as lowered unit capability and readiness.

Readiness has been given the highest priority as we have accommodated the reductions forced upon us. Nevertheless, the tempo of operations for Army ground forces and many ships is not where we think it should be. Further, lengthened depot maintenance repair cycles have increased the rate of equipment failure.

In research and development, the technology base program to provide for long-term weapon qualitative superiority has not been expanded as planned, and options for our SDI program have been curtailed.

Highlights of the Current Budget Request

As I mentioned earlier, the current budget provides for 3 percent real growth for both FY 1988 and FY 1989 and through the remainder of our Five Year Plan. As the President said in his State of the Union Address last week, "Although the world is more safe than it was in 1980, it still is not safe." There are few new programs in this budget. The investment accounts are primarily a continuation of existing programs. This budget is balanced between the Military Departments, where the relative shares of the budget have been stable for several years; balanced between conventional and strategic forces, with less than 15 percent devoted to our strategic forces; and balanced by functional areas. We have attempted to protect our military personnel from the effects of large budget reductions and we continue to give readiness a priority over weapons modernization.

The budget requests $78.3 billion in FY 1988 and $81.6 billion in FY 1989 for military personnel costs. Military personnel end strengths remain essentially unchanged through the budget years, increasing only as necessary to man new ships, squadrons, equipment, and associated support units scheduled to enter the force structure during this period. Army levels will support a force structure of 28 active and reserve divisions. Navy increases are tied directly to fleet readiness. The Air Force levels decline somewhat, with the emphasis on retention of quality personnel.

The Administration remains committed to the principle of pay comparability. Only by providing an attractive overall military compensation program can we even begin to attract and retain the appropriate mix of experience and skills. The budget requests a 4 percent military pay raise in FY 1988 and 4.3 percent in FY 1989 and implementation of these raises once again has been delayed to January 1. These levels will generally approach the expected increases in civilian wages as measured by the Employment Cost Index.

Reserve forces continue to make a significant contribution to the total force. The budget reflects an increase of 32,964 end strengths in FY 1988 and 23,100 in FY 1989 for the Reserve and National Guard components. These increases are commensurate with their growing role in the Total Force Structure and accompany the deliveries of additional equipment.

The budget request for civilian personnel supports end strength estimates of approximately 1,123,000 in FY 1988 and 1,125,000 in FY 1989. The budget requests a 2 percent pay raise in FY 1988 and 3 percent in FY 1989 for the civilian workforce, effective January 1 of each fiscal year. We continue to place emphasis on improving the acquisition process through improved contract administration and audits.

During FY 1988 and FY 1989 our land force structure and active end strengths remain essentially constant. The Army will field 18 active and 10 reserve divisions, while the Marine Corps will field 3 active and 1 reserve. The Army will continue to reorganize its active force structure. The light force structure will grow as the 6th Light Infantry Division, based in Alaska, and the 10th Mountain Division, at Fort Drum, New York, each receive an additional active infantry battalion.

Readiness, in turn, mandates adequate levels and quality of equipment and proper training. In support of these troops, the FY 1988/FY 1989 budget requests 616 and 618 Bradley Fighting Vehicles respectively, 600 M-1 tanks per year, and 67 AH-64 Apache helicopters in FY 1988. Combined Army and Marine Corps procurement of TOW missiles will remain at approximately 12,000 a year for FY 1988 and FY 1989. Air defense systems protect our forces during the conduct of close combat and rear defensive operations and the budget years continue our efforts to increase divisional air defense systems.

The Navy will reach 605 ships by the end of FY 1989. That level represents the minimum objective, given the need to balance force levels, necessary to counter the threat within national resource constraints. To sustain this force level in the next decade and beyond, we will need to maintain a steady construction rate of about 20 ships a year.

Within this 600-ship Navy, we seek to achieve specific force structure goals. The two new carriers will be needed to replace carriers reaching the end of their service lives, which is approximately 45 years of age. Initiation of procurement of long leadtime components for two carriers, as proposed in this budget, is the most efficient and affordable way to address this requirement. Due to tighter fiscal constraints, however, achievement of other goals will be delayed until the next decade or later.

Supporting our naval forces, the budget requests a variety of sophisticated aircraft. FY 1989 includes long-lead procurement funding for the V-22 Osprey, an advanced tilt-rotor aircraft intended to replace the fleet of CH-46 assault transport helicopters. At the same time, we are continuing our procurement of the CH-53E Super Stallion, the free world's largest helicopter. The budget also requests funds for the SH-60B/F antisubmarine warfare (ASW) helicopters, supporting a constrained production cap of 24 SH-60s per year. These ASW helicopters will be based aboard almost 100 of our more modern surface combatants, as well as aircraft carriers.

For the most part, the task of building stocks of war reserve spare parts for combatants has been completed, though shortfalls remain in the shore establishments and reserves. Procurement now is focused on achieving munitions needs. The budget request for FY 1988 and FY 1989 includes 475 and 510 TOMAHAWK cruise missiles, 124 and 138 Harpoon antiship missiles, and 100 and 350 MK-48 ADCAP and 153 and 224 MK-50 torpedoes respectively.

Because of fiscal constraints, the Air Force will maintain its near term total force level at about 37 wings. The Air Force continues to plan for growth to 40 tactical fighter wings as an interim objective and will resume growth toward that objective as soon as fiscally possible. The average age of its inventory will be maintained at about 10 years. In addition to its tactical fighter wings, the Air Force will operate 14 squadrons (2 active and 12 Air National Guard) of air-defense fighters by the end of FY 1988.

Through the introduction of new and more capable aircraft, we are able to modernize our air forces and reduce the overall average age of our inventory. The FY 1988/FY 1989 budget proposes 42 F-15E and 180 F-16 aircraft each year for the Air Force. Also requested are 12 F-14A/D each year, 12 A-6F aircraft in FY 1988 and 18 in FY 1989, 84 F/A-18 aircraft in FY 1988 and 72 in FY 1989, and 32 AV-8B aircraft each year for the Navy and Marine Corps.

Supporting and enhancing these air forces are a variety of missiles. The FY 1988/FY 1989 budget includes the procurement of 558 Sparrow missiles in FY 1988; 1,244 Sidewinder missiles in FY 1988 and 760 in FY 1989; 2,701 Imaging Infrared Maverick missiles in FY 1988 and another 2,631 in FY 1989; 1,099 Laser Mavericks in FY 1988; 430 Phoenix missiles in FY 1988 and 560 in FY 1989; 2,514 HARM missiles in FY 1988 and an additional 2,659 in FY 1989; 630 AMRAAM in FY 1988 and 1,800 in FY 1989; and 276 Sidearm missiles in FY 1988 and 269 in FY 1989.

This past year, we have addressed and resolved two of the most crucial issues of our Special Operations Forces--airlift support and overall organization. The most obvious special operations deficiency has been in airlift and the FY 1988/FY 1989 program requests increased funding needed to meet our wartime requirements. We are enhancing our airlift capabilities by procuring additional fixed- and rotary-wing aircraft and, for the first time, incorporating dedicated SOF tanker support. For the longer term, we have accelerated the procurement of the V-22, the next generation of SOF aircraft.

One of the greatest advantages we enjoy over our adversaries is the excellence of our technological base. To protect ourselves from the possibility of some nations gaining future technological advantage over us, we must continue a vigorous program of research and development.

The Soviet Union historically has outspent us in research and development, just as they consistently have deployed more new and upgraded systems. However, despite continuing large Soviet investment in military research and development, the United States still maintains leads in 14 of the 20 most important basic technology areas.

The President's highest priority defense effort is the pursuit of experiments and demonstrations to assess the feasibility of Strategic Defense Initiative technologies to support development decisions planned for the 1990s. Other R&D efforts are structured to provide the force of the future. Pursuit of improved integrated circuitry, aircraft propulsion and technology, materials, computers and software, and sensors and signaling technology are among the many areas where we seek to build on our current advantage. Key development programs that will shape the force of the future are: a mobile, rail garrison basing mode for Peacekeeper missiles; the Small ICBM; the LHX helicopter program; Forward Area Air Defense (FAAD); the V-22 Tilt Rotor Aircraft; the SSN-21 Attack Submarine; the Advanced Tactical Fighter (ATF); Navy combat aircraft improvements; very high speed integrated circuits (VHSIC); and the National Aerospace Plane.

Approximately 3 percent of our DoD budget is invested to replace or modernize obsolete facilities and construct new facilities. Our FY 1988/FY 1989 military construction budget request maintains the progress we have made since 1981 and continues to redress the neglect of our facilities caused by inadequate funding in the 1970s. Of special importance are programs that continue the modernization of our physical plant and improve the working and living conditions for our people. We are placing special emphasis on the modernization of our existing family housing inventory and on providing critically needed additional housing, primarily at overseas locations.

Affordability

The risks we face today are not diminishing. Yet, some maintain that our defense efforts must now be relaxed because the United States cannot afford the necessary levels of defense resources. Unfortunately, a review of history shows that limiting the resources we provide for our national defense has serious consequences. During those extended periods when defense has consumed a relatively low percent of the Gross National Product (GNP), serious shortcomings in our defense posture resulted. In the past 45 years, there have been only two sustained periods when the allocation of the nation's resources to national security were below 6 percent following World War II and after the Vietnam conflict. The reduced defense spending after World War II left the nation unprepared for the Korean War, and the decade of neglect that followed Vietnam saw a serious deterioration in the nation's defense capabilities and a shift in the world military balance.

In 1970, we devoted 7.8 percent of our GNP to defense, down sharply from the Vietnam peak of about 9 percent. The percentage continued to fall to a low of 4.7 percent in FY 1978 and FY 1979. Small increases in FY 1980 and FY 1981 were not enough to keep up with inflation in the prices of defense goods and services. From FY 1982 through FY 1985, we devoted about 6 percent of our GNP to defense. These defense allocations financed the vast improvements in the nation's defenses. Based on national security requirements and the current projection of economic growth, an average of 6 percent of the GNP will be required for defense over the next five years, a level that is both economically affordable and strategically sound. Any lower levels of defense spending will likely produce a deterioration in our forces similar to that experienced in the late 1940s and the 1970s.

Defense Budget and the Deficit

Just as one cannot say that our defense program has absorbed a disproportionate share of the nation's wealth, it cannot be said that the defense buildup was funded at the expense of nondefense programs or was the cause of increased deficit levels. A look at real defense and nondefense outlays over the past 15 years shows that defense spending declined during the 1970s and only experienced a period of sustained growth between 1981 and 1985. Nondefense spending has been rising steadily since the end of World War II. In addition, as defense spending estimates have been reduced over the last few years, deficit projections have continued to increase. This is because reductions in defense have been more than offset by increases in other areas of the budget. Since January 1984, the projected deficit for FY 1985 through FY 1989 has worsened by $130.3 billion. Over this same period, projected outlays for DoD have been reduced by $301.9 billion and nondefense outlays have increased by $47.0 billion.

Management Improvements

Since 1981, we have initiated numerous efforts to ensure that we are getting the most for our defense dollar. This has become all the more critical in a constrained fiscal environment. To ensure that key decisions are made quickly, and involve our most senior people, we have placed increased emphasis on the Defense Council on Integrity and Management Improvement (DCIMI)--which is similar in structure to the executive committees found in many major corporations. The DCIMI oversees the development and implementation of a comprehensive plan for management reform. Emphasis has been placed on four areas: procurement reform, financial management, productivity improvement, and internal management controls.

Our efforts have proven successful. Cost growth on major weapon systems has dropped from 14 percent in 1980 to less than 1 percent at the end of 1985.

One of the primary reasons that we seek two-year authorization and appropriations is to achieve a greater degree of program stability. We have sought to provide stability under the current annual process through baselining and multiyear procurement. Baselining formally establishes a set of agreed upon goals and objectives that describe the functional specifications, cost, schedule, and other critical factors at the initiation of a major new program. Within the scope of the approved baseline agreement, the program manager will be permitted to exercise full management authority. The principal objective of Multiyear Procurement (MYP) is to achieve savings through economical lot buys. Once the Congress approves a multiyear procurement contract for a major system, we can make a commitment to the contractor that the program will continue, thereby minimizing the contractor's financial risk. Multiyear procurement has accounted for the majority of savings under the acquisition improvement program. The FY 1988/FY 1989 budget request includes 9 multiyear procurement proposals with estimated savings of $1 billion.

The high level of management attention directed at improving competition has produced dramatic results. The Department-wide rate of competition for procurement dollars in fiscal year 1986 was $78.7 billion, or 57.2 percent of the total, with another $29.7 billion, or 21.6 percent, of contract dollars being follow-on actions to initially competed contracts.

Cost savings and other benefits from the spares reforms also have been impressive. Savings from FY 1984 to FY 1986 total $3.8 billion. In addition to the monetary savings, increased competition from the spares initiatives has provided other benefits, such as bringing additional suppliers into the system. This has broadened the industrial base and improved the overall responsiveness of the Department's suppliers.

Our worldwide contract audit activities are conducted by the Defense Contract Audit Agency (DCAA). DCAA's mission is to perform all necessary contract audits for DoD and to provide accounting and financial advisory services on contracts and subcontracts. In fulfilling this mission, DCAA issues over 60,000 audit reports annually. The DoD Inspector General performs audits within the Office of the Secretary of Defense, the Organization of the Joint Chiefs of Staff, the Unified Commands, the Defense agencies, and the Military Departments. The IG has issued over 700 audit reports and identified nearly $4.8 billion in savings and cost avoidances. Additionally, the Defense Criminal Investigative Service was established in October 1981 with the primary objective of investigating major theft, fraud, and corruption in the procurement process. Since its establishment IG investigative activities have compiled an impressive seventy percent conviction rate and generated over $100 million in recoveries, fines, penalties, and restitutions. All other DoD Investigative organizations have compiled a total of over $185 million in recoveries, fines, penalties, and restitutions during the same time period.

Financing Defense Programs

At the beginning of this Administration, the annual rate of inflation was averaging about 10 percent and many of the defense programs had been underfunded as a result, especially in the last half of the 1970's. The Administration tackled this problem by budgeting more realistically for inflation and at the same time gave a high priority to the goal of reducing inflation.

It so happened that the Administration was more successful in reducing the rate of inflation than was projected in its budgets and all agencies were able to buy more with the funds appropriated to them. Unfortunately, although all agencies benefitted from this, the Department of Defense was singled out and charged with accruing some $40 billion in excess funds. We have reported to the Congress and to the General Accounting Office how these funds were used for other high priority defense programs with the approval of the Congress or made available to the Committees to assist them in meeting budget resolution targets.

It is disturbing to have these funds reported as "windfalls" to defense because inflation was lower than anticipated. Where this has been the case, the Department has been forthright in identifying excess funds and reporting them to the Congress. At the same time, the decline of the dollar vis-a-vis the Japanese yen, the German mark and other currencies has increased the cost of defense programs such as overseas station allowances, the salaries of foreign nationals and the operating costs of overseas bases and installations. In FY 1986, we have transferred $1.6 billion from the now bankrupt foreign currency fluctuation account to finance overseas operations. We are in the process of attempting to replenish the foreign currency fluctuation account through the use of additional transfer authority granted by the Congress in the FY 1987 budget. However, I must advise you that, since the budget was submitted, FY 1987, FY 1988, and FY 1989 currency requirements have increased by approximately $.5 billion in each year.

Our ability to continue to finance defense requirements in FY 1988 is extremely limited. All the revised inflation projections through January 1987 have been reflected in our budget estimates. Inflation rates in our budget are 3.5 percent in FY 1988 and decline to under 2.5 percent by the end of the five year forecast. This leaves a slim margin for overestimating inflation, especially in light of the fact that economists are now predicting a turnaround in prices in calendar 1987 including fuel prices. It is too early to tell if we can find financing adjustments for the FY 1988 program. To the extent we are able to do this, we will notify the Congress as we have in the past.

Conclusion:

In this period of constrained resources, the Department of Defense has made significant progress in achieving revitalization of our military forces through increasingly efficient and economic programs. But, this is increasingly difficult to continue as severe reductions to program funding has resulted in the need to stretchout programs and restructure procurements. Ultimately, we have to pay a price for underfunding our requirements, not only in inadequate defense, but in inefficiencies and diseconomies. We must reverse this trend of recent years if we are to maintain the accomplishments to date and strive to reach our goals. We cannot do this without the support of the Congress and the necessary financial resources.

In December, Secretary Weinberger announced the Administration's intentions of submitting a request for a $2.8 billion FY 1987 supplemental appropriation to cover "must pay" and critical program requirements, to fulfull congressional priorities, and to fund necessary SDI efforts. Reflected in the FY 1987 column of the President's FY 1988/FY 1989 budget, this supplemental funding would, if approved by the Congress, leave the FY 1987 defense budget at zero real growth, or the level specified in the FY 1987 Budget Resolution. The critical nature of the programs for which additional funding has been requested require that at least that level of funding be provided.

Approval of this FY 1987 supplemental request and the FY 1988/FY 1989 program discussed here today is critical for our national security requirements. The defense program is an integral part of the President's budget that has been carefully structured to meet the fiscal targets established by the Gramm-Rudman-Hollings legislation. Enacting a sound, two-year program for national defense will constitute a major step forward in achieving our national security goals.

NATIONAL DEFENSE TOPLINE - 050

(Current $ Billions)

	1987	1988	1989	1990	1991	1992
BUDGET AUTHORITY						
DoD TOTAL	281.7	303.3	323.3	343.9	364.9	386.5
DoE & Other	8.0	8.7	9.1	9.6	10.1	10.4
TOTAL 050	289.7	312.0	332.4	353.5	375.0	396.9
OUTLAYS						
DoD TOTAL	274.2	289.3	303.7	321.0	340.0	361.0
DoE & Other	8.0	8.3	8.5	9.0	9.5	9.9
TOTAL 050	282.2	297.6	312.2	330.0	349.5	370.9

FY 1988/FY 1989 DoD BUDGET

BUDGET AUTHORITY & OUTLAYS

(Current $ Billions)

	FY 1986	FY 1987	FY 1988	FY 1989
BUDGET AUTHORITY	281.4	281.7	303.3	323.3
% Real Growth	-4.2%	-2.5%	3.0%	3.0%
OUTLAYS	265.6	274.2	289.3	303.7

FY 1988/FY 1989 DoD BUDGET

Military Personnel Indicators

	1980	1982	1985	1986
Recruiting Quality				
High School Graduates	68%	86%	93%	92%
Mental Categories I thru III	69%	87%	93%	96%
Retention				
Reenlistments - All Regulars	55%	68%	64%	65%
First Term Reenlistments	38%	53%	48%	49%
Career Reenlistments	70%	85%	84%	84%

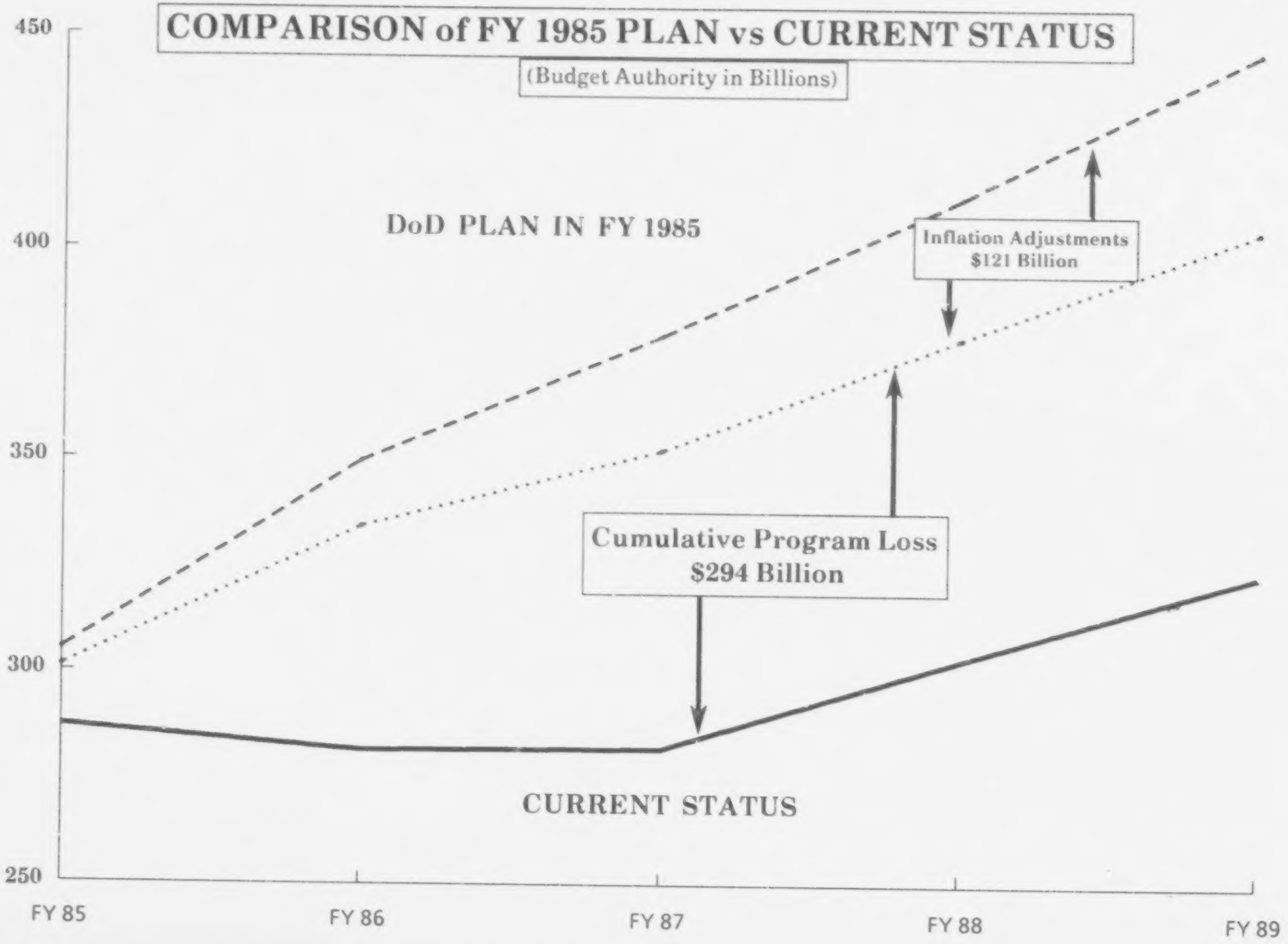
CONGRESSIONAL REDUCTIONS TO THE PRESIDENT'S DoD BUDGET REQUESTS

(Current $ Billions)

	1984	1985	1986	1987
PRESIDENT'S REQUEST	**273.4**	**305.0**	**313.7**	**311.6**
Congressional Reductions	-14.7 (5.4%)	-19.5 (6.4%)	-35.3 * (11.3%)	-29.9 (9.6%)
ENACTED **	**258.7**	**285.5**	**278.4**	**281.7**

* Includes $11.0 billion sequestered under G-R-H.

** **Excludes Contract Authority.**


COMPARISON of FY 1985 PLAN vs CURRENT STATUS
(Budget Authority in Billions)
450
400
350
300
250
DoD PLAN IN FY 1985
Inflation Adjustments
$121 Billion
Cumulative Program Loss
$294 Billion
CURRENT STATUS
FY 85
FY 86
FY 87
FY 88
FY 89

FY 1988/FY 1989 DoD BUDGET
BUDGET AUTHORITY BY MILITARY COMPONENT
(Current $ Billions)

	FY 1987		FY 1988		FY 1989	
	Dollars	Share	Dollars	Share	Dollars	Share
ARMY	74.5	26.4%	80.1	26.4%	84.8	26.2%
NAVY/ MARINE CORPS	95.3	33.8%	102.3	33.7%	108.7	33.6%
AIR FORCE	93.8	33.3%	100.4	33.1%	107.2	33.2%
DEFENSE AGENCIES/ DEFENSE WIDE	18.1	6.4%	20.5	6.8%	22.6	7.0%
TOTAL	**281.7**		**303.3**		**323.3**	

FY 1988/FY 1989 DoD BUDGET
MANPOWER
(END STRENGTH IN THOUSANDS)

	FY 1986	Delta	FY 1987	Delta	FY 1988	Delta	FY 1989
ACTIVE DUTY							
ARMY	781	0	781	0	781	0	781
NAVY	581	+ 6	587	+ 6	593	+ 10	603
MARINE CORPS	199	+ 1	200	0	200	0	200
AIR FORCE	608	-1	607	-8	599	+ 2	601
TOTAL MILITARY 1/	2,169	+ 5	2,174	-2	2,172	+ 12	2,184
RESERVES							
SELECTED RESERVES	1,130	+ 27	1,157	+ 33	1,190	+ 23	1,213
CIVILIANS							
TOTAL CIVILIAN 2/	1,112	+ 12	1,124	-1	1,123	+ 2	1,125

Note:
1. Includes Military assigned to Defense Agencies and Cadets.
2. Civilian End Strength includes Classified, Wage Board, Foreign Indirect, Civilian Technicians, and Permanent Part-time.

LAND FORCES MODERNIZATION

	On Hand		Cum FY 1987 on Hand/		
	FY 1980	FY 1986	Pipeline	FY 1988	FY 1989
Close Combat:					
M-1 Tanks	34	3,539	5,753	600	600
Bradley Fighting Vehicles	0	2,555	4,351	616	618
Helicopters:					
AH-64 Apache	0	165	526	67	-
UH-60 Blackhawk	0	740	859	61	72
Missiles:					
Patriot	0	1,038	1,790	715	815
Stinger	0	11,836	26,763	7,692	8,115
TOW-2	0	49,741	94,661	12,096	11,304
MLRS	0	80,856	260,322	72,000	36,000

NAVAL FORCES MODERNIZATION

	On Hand		Cum FY 1987 on Hand/ Pipeline		
	FY 1980	FY 1986		FY 1988	FY 1989
SHIPS:					
TRIDENT	0	8	14	1	1
SSN 688 Submarine	10	34	56	3	2
CG-47 Cruiser	0	5	22	2	2
SSN-21	0	0	0	0	1
DDG-51 Destroyer	0	0	3	3	3
AIRCRAFT:					
CH-53/MH-53E	0	75	113	14	14
SH-60B/F	0	63	129	24	24

NAVAL FORCES MODERNIZATION

MISSILES/WEAPONS:	On Hand FY 1980	On Hand FY 1986	Cum FY 1987 on Hand/ Pipeline	FY 1988	FY 1989
Tomahawk	0	350	991	475	510
Harpoon	609	1,903	2,573	124	138
MK-48 ADCAP	0	0	197	100	350
MK-50	0	0	39	153	224
TRIDENT II	0	0	21	66	66

TACTICAL AIR FORCES MODERNIZATION

	On Hand		Cum FY 1987 on Hand/ Pipeline	FY 1988	FY 1989
	FY 1980	FY 1986			
COMBAT AIRCRAFT					
F-14	264	455	512	12	12
F-15	501	749	877	42	42
F-16	143	972	1,468	180	180
F/A-18	2	323	567	84	72
AV-8B	0	59	174	32	32
MOBILITY AIRCRAFT					
C-17	0	0	0	2	4

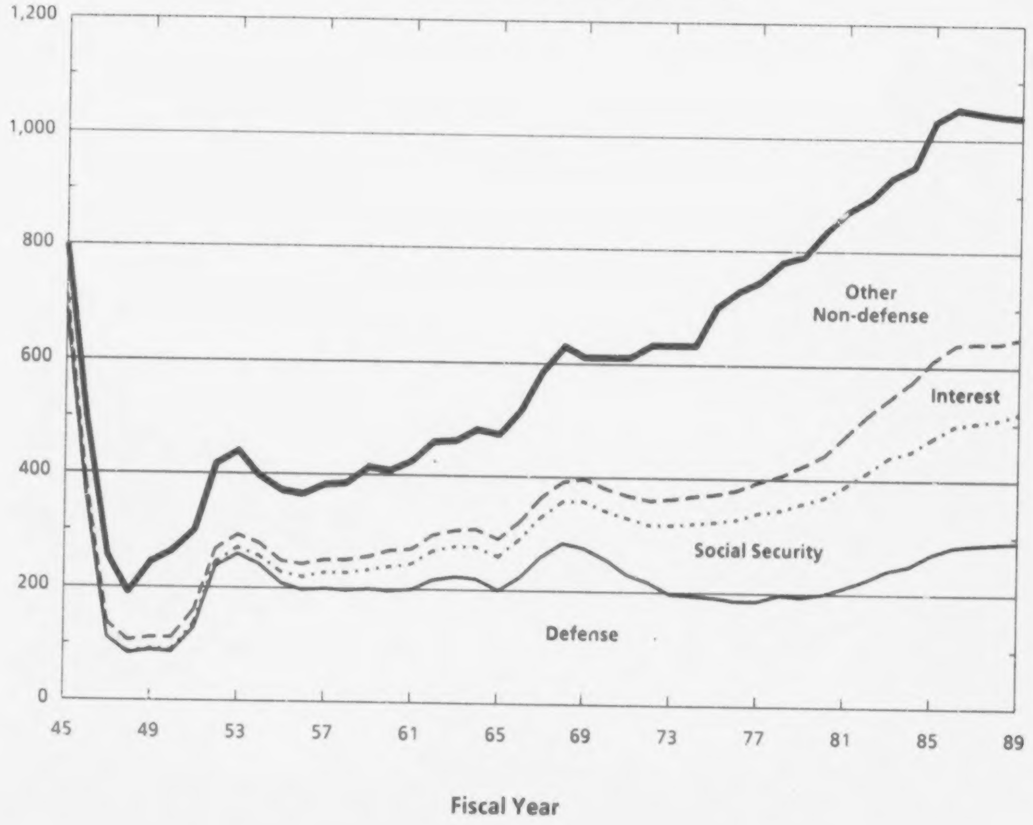
TACTICAL AIR FORCES MODERNIZATION

MISSILES:	On Hand FY 1980	On Hand FY 1986	Cum FY 1987 on Hand/ Pipeline	FY 1988	FY 1989
Sparrow	10,428	13,411	19,157	558	-
Sidewinder	16,127	23,008	26,764	1,244	760
IIR Maverick	0	942	10,368	2,701	2,631
Phoenix	1,789	1,852	3,152	430	560
AMRAAM	0	0	180	630	1,800

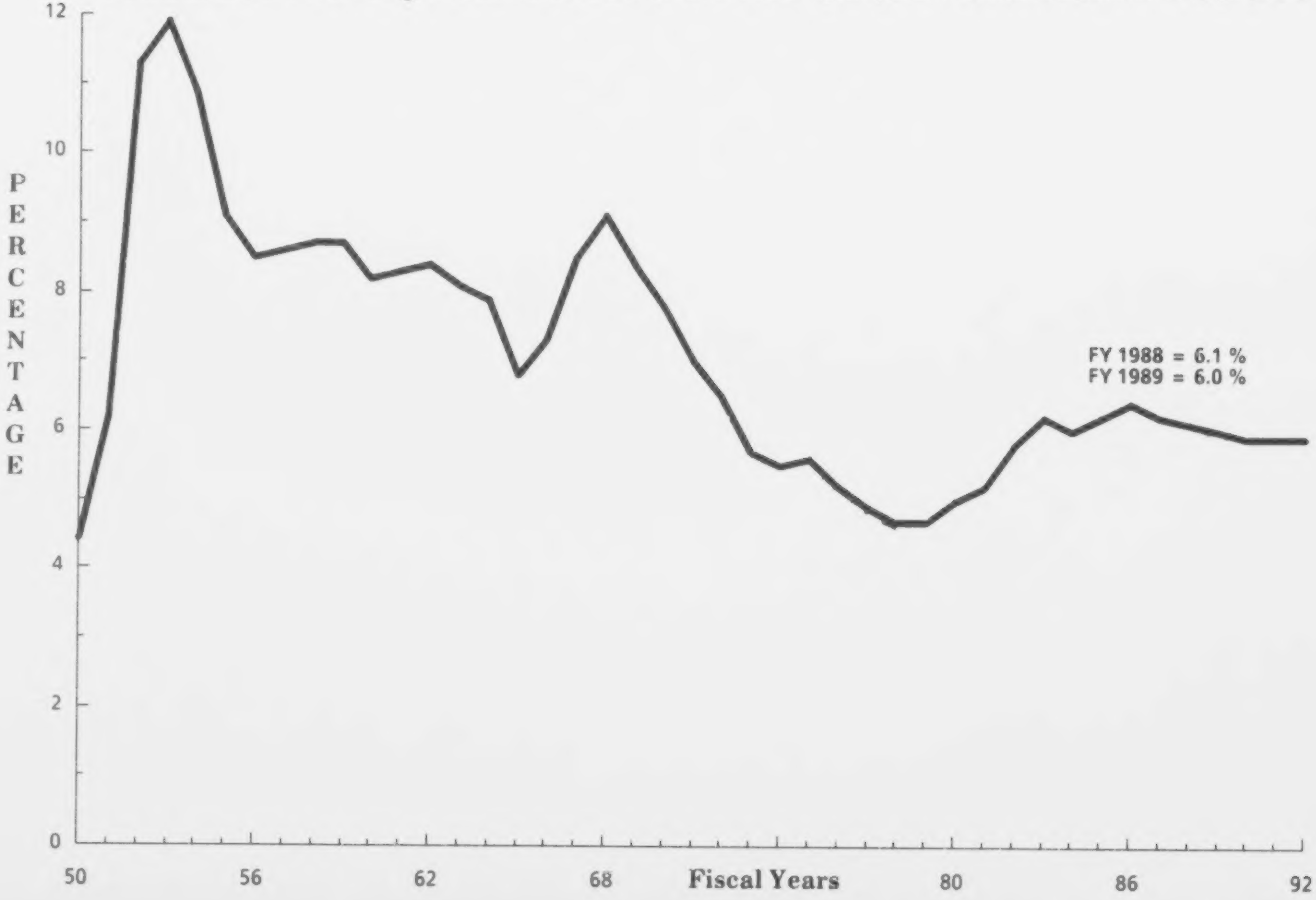
FY 1988/FY 1989 DoD BUDGET
BUDGET AUTHORITY BY TITLE
(Current $ Billions)

	FY 1986 Dollars	% Change	FY 1987 Dollars	% Change	FY 1988 Dollars	% Change	FY 1989 Dollars
MIL PERS	67.8	8.8%	73.8	6.2%	78.3	4.2%	81.6
O & M	74.9	4.9%	78.5	10.2%	86.6	5.7%	91.5
PROC	92.5	-7.9%	85.2	-1.4%	84.0	12.7%	94.6
R D T & E	33.6	7.1%	36.0	21.5%	43.7	1.2%	44.3
MIL CONS	5.3	-2.8%	5.1	28.6%	6.6	4.6%	6.9
FAM HOUS	2.8	11.3%	3.1	11.7%	3.5	5.7%	3.7
OTHER	4.5	-	-	-	0.6	-	0.8
TOTAL	**281.4**	**0.1%**	**281.7**	**7.7%**	**303.3**	**6.6%**	**323.3**

Federal Outlays
(FY 1988 Dollars in Billions)



Defense Outlays as a Share of the Gross National Product



FEDERAL OUTLAYS AND THE DEFICIT

	FY 1985	FY 1986	FY 1987	FY 1988	FY 1989	CUM FY 85-89
FEDERAL DEFICIT						
Jan 1984 Estimate	180.4	177.1	180.5	152.0	123.4	813.4
Current Status	221.6	237.5	192.7	147.4	144.5	943.7
CHANGE	**+41.2**	**+60.4**	**+12.2**	**-4.6**	**+21.1**	**+130.3**
DEFENSE OUTLAYS						
Jan 1984 Estimate	272.0	310.6	348.6	379.7	409.1	1,720.0
Current Status	252.7	273.4	282.2	297.6	312.2	1,418.1
CHANGE	**-19.3**	**-37.2**	**-66.4**	**-82.1**	**-96.9**	**-301.9**
NON-DEFENSE OUTLAYS						
Jan 1984 Estimate	653.5	681.5	719.7	750.6	774.6	3,579.9
Current Status	693.6	716.4	733.4	726.7	756.8	3,626.9
CHANGE	**+40.1**	**+34.9**	**+13.7**	**-23.9**	**-17.8**	**+47.0**

ACQUISITION IMPROVEMENTS

- **Cost Growth for Major Weapon Systems:**
  - end of CY 1980 14%
  - end of CY 1985 <1%
- **Multiyear Procurements:**
  - FY 1982-FY 1987:
    - 46 multiyear contracts approved;
    - $7.7 billion in projected savings.
  - FY 1988/FY 1989:
    - 9 multiyear programs requested;
    - $1.0 billion in anticipated savings.
- **Increased Use of Competitive Contracts:**
  - FY 1981: 40 % of all contracts awarded competitively
  - FY 1986: 79 % of all contracts awarded competitively
- **Spare Parts Acquisition Initiatives:**
  - Savings of $3.8 billion FY 1984 - FY 1986.

DOD EFFORTS TO CURB WASTE, FRAUD AND ABUSE

CONTRACT AUDITS:

• Estimated savings	$9.0 billion

INTERNAL AUDIT OF DOD ACTIVITIES:

• DOD, IG estimated savings (since FY 1982, 700 reports)	$4.8 billion

INVESTIGATIVE ACTIVITIES:

• Recoveries, restitutions, fines, and penalties	$100 million

DIFFICULTIES IN BUDGET PROCESS

Chairman STENNIS. Well, Mr. Secretary, we want to thank you with emphasis for bringing these facts to us, giving us the benefit of your opinion on them, and as I understand the testimony and facts in your statement here, the figures themselves will go a long ways toward helping Congress formulate its final judgment in coming down to a bill with real figures in it that will finally be passed.

Now I am sorry, but I am going to have to ask you to excuse me now due to circumstances beyond my control, but I will be back here inside of 20, 25 minutes, I hope.

Let me say to the membership, let us take advantage now of this opportunity of getting these facts with this competent witness here who knows what he is doing. Let him give his opinion. If he cannot speak all of it here without further preparation, of course we can leave the record open for him.

He is one of the ones I am going to look to to be guided in reaching these conclusions. Let me say this about the 2-year budget. I favor the idea, and I hope that it can be worked out. You said on a selected basis. I do not think you could ever just put it all in on a 2-year basis, but certain selected programs to avoid repetition could. Something is going to have to be done by the Congress. There are just not enough days in the year for us to get to all the things that are now included in the budget, and I mean get to it in such a way as to make real judgments. I do not believe it can be done.

So we have got to resort to some doubling up, so to speak. But that does not mean that we are going to resort to neglect, or incomplete methods, or anything like that. We must not. But I think we have got to handle this budget, and I hope you can push your ideas along and help out in that respect.

Let us just start off by saying it cannot all be done in a year. I want to say something, and I will be back here before you recess, I am sure, but I want to say something about emphasizing not just the naked dollar, but making that dollar go as far as it can reasonably be made to go.

That is the way we used to save money, and that is the way we used to keep budgets in balance—I mean family budgets. We would just work harder to make the money go further, to make the dollar buy more when it was judiciously spent. We can improve ourselves, the American people can, in their private affairs, and I think the Congress can improve with the idea of demanding—I do not like to use that term, but that is what we are going to have to do I think—demanding that the dollar be more carefully and judiciously spent.

We all agree on purposes. It has got to be done. Results must be obtained. But, including myself, I think we are careless somewhat about the spending of these dollars that could be made to go further. So I would like to emphasize that here, there, and everywhere, and that is not directed at any individual.

Now, the Senator from Louisiana, I am going to ask you to continue the hearings here. Excuse me for a minute, Mr. Secretary, I will get back just as quickly as I can.

STRATEGIC DEFENSE INITIATIVE

Senator JOHNSTON [presiding]. Secretary Taft, I must say that the strategic defense initiative and what I have been reading about it and hearing about it, including a briefing by staff yesterday, is one of the most confusing programs I have seen.

I read in this morning's paper where a decision to develop is being sought by the White House. There is going to be a meeting with the President. And yet my staff met with the General who is responsible for the SDI/SDIO architectures and he said there is no architecture for an early deployment. He does not know where all the talk of a near-term deployment began. He thinks it arose mistakenly from talk on the Hill.

EARLY-TERM DEPLOYMENT OF SDI

Can you elucidate us on that situation? Is there talk of an early-term development?

Mr. TAFT. Well, Senator, let me say that I share some of that confusion. Not being a student of the media, I really do not know how all the talk developed. But a couple of things should be clear and understood.

The administration, first of all, is pursuing a research program and has been over the last 3 years, and proposes to continue at increased levels as reflected in the budget before you. We are not pursuing this research and development program just for the fun of it. We think it is a very important initiative, and if the research and development program is successful, we would intend to deploy it.

We do not believe in doing a lot of research and development, certainly not on the scale that is proposed here, for a program that we do not intend ever to deploy. So we intend to deploy SDI, if we are successful in research and development in determining how to do that.

Senator JOHNSTON. You are not ready to make that decision, then.

Mr. TAFT. The question, then, is when. One cannot answer that question accurately until one has concluded what and how and gotten further in the research and development than, frankly, we are at this time. I think maybe to help on your concern, the fact of the matter is that in thinking about when we would be able to deploy we have ideas, and we had thought previously that it would not be possible to deploy until late in the 1990's, earlier.

As it happens, the research has been going very well, and there is a possibility of deploying earlier than that, which I think the press has now described as "early deployment." From some points of view, it may be late deployment. It is not tomorrow. It is not next year. But it is perhaps possible, we do not know, to deploy then. We would like to deploy when we can.

Senator JOHNSTON. But the point is that it would be, in your view, premature to choose a set of technologies or an architecture at this time?

Mr. TAFT. We are not prepared at this time to commit to a particular deployment, no. That decision has not been made. The intention to deploy when we can is something we very much have.

Senator JOHNSTON. Right, but I mean——

Mr. TAFT. That could be earlier than we had thought.

KINETIC AND BEAM AND LASER TECHNOLOGIES

Senator JOHNSTON. But specifically, the choice of kinetic kill vehicles, as opposed to beam weapons, that choice has or has not been made?

Mr. TAFT. We are looking very closely at a whole number of technologies, including the kinetic and the beam and laser technologies. At this time—and I guess this also is important to the concern that is around town today—we have a feeling from some people that it would be possible to deploy something, not that would be part of a whole, final system, but that would work to some degree right now.

We are not interested in that in the Department. What we are interested in, however, is when we can foresee an entire system that will be the system for strategic defense that we want. If there is a first phase of that that could be deployed apart from the second and third phases that would make a useful contribution to defense and deterrence, we would do that. That also has come to our attention more recently and I think has been the object of discussion in the Congress, too.

MEETINGS ON EARLY DEPLOYMENT

Senator JOHNSTON. Well, the articles would therefore be incorrect that describe a meeting with the President by various parties? Here is one in the Post that talks about a meeting: "The Defense Department is expected to ask President Reagan today to authorize detailed planning for development of an initial near-term defense against ICBM's, according to senior officials at the Pentagon and State Department."

In other words, they are making the hard sell for choice of technologies and early deployment. That would be incorrect?

And here is another version of it in the Washington Times. That would be incorrect?

Mr. TAFT. We have directions that we are intending to go in our research program which we think are very promising, and which we are indeed informing the President of, and we hope he will direct us to pursue them. This could be the first phase of an integral system.

We are not today at the stage where we would have confidence to deploy, and we are not urging anybody——

Senator JOHNSTON. For even the first phase?

Mr. TAFT [continuing]. We are not urging anybody to deploy something today. We would urge people to do things in the research and development area that would permit us, if those things work out, to deploy as early as possible. But that is not today. We are not there.

Senator JOHNSTON. You are not ready to choose the technology that would be deployed later?

Mr. TAFT. We have some more work today.

Senator JOHNSTON. Senator Proxmire, or Senator Weicker.

Senator WEICKER. I think Senator Rudman was here before I was, so I will yield to him.

Senator JOHNSTON. Senator Rudman.

Senator RUDMAN. I am going to leave that subject for one moment. I only have one question. In fact, it is probably the only question I am going to ask most of the witnesses at these hearings.

SMART WEAPONS TECHNOLOGY

Looking at the whole budget as it is submitted, smart weapons or, if you will, sophisticated weapons technology acquisition by my calculations, which are probably ballpark but when we are talking about the numbers we are talking about they are not off by very much, is probably under 3 percent of the total defense request.

Then in talking about force multipliers and our technology, I am wondering why DOD at some point does not make a decision in 1 year to become a little less platform-oriented and start getting some of the smart weapons' technology which is not only available but is perfected in many cases, and buy enough of it so we truly have a qualitative edge, instead of just talking about it?

Now the reason I ask you that question, I have been concerned about it, but I was very interested in Admiral Hays' testimony before the Armed Services Committee last week. I am going to quote one paragraph. He said,

> Even though impressive gains have been realized in the past few years, staying power remains a serious conventional warfighting concern. We have superb forces, but we cannot sustain for a prolonged period because of our shortages of critical parts and ammunition.

When he is talking about ammunition, I am sure the Admiral was talking about not just conventional iron bombs, but all of the sophisticated things we have, the fire and forget kind of munitions, all of the antiarmor technology. It seems to me, Mr. Secretary, that we have got a lot of tubes, a lot of carriers, and a lot of Bradleys, and all sorts of squadrons coming on, but we are really hurting in terms of equipping them with the kind of sophisticated weapons technology that is at hand.

My question is simply this: Why do we not at least for 1 year in this defense budget make a major effort to build up stocks of smart munitions so at least our platforms have something to fire that is a quantum grade higher than the Soviets presently possess?

Mr. TAFT. Well, Senator, I am not familiar with exactly what definition you would be applying to describe smart munitions or other munitions. We have over the years put a great deal of money into this area, and it is a high priority with us.

As to the specific question of priorities that you identified, I think the presentation I made at the outset suggests that that is consistent with our approach. When the question has been between ammunition and sustainability and the procurement of a major platform, the platforms have been a lower priority for us.

We do need a balanced program. You cannot just take it all out of the platforms and leave the others there; you will not have anything to shoot from. You need a tube in the end, as well. But if you are asking where we have taken our reductions as we approached this budget in the summer, by far the heavier reductions have been out of platforms, out of the tactical aircraft that I mentioned, out of ships, out of those types of things, and not out of ammunition. We have not preserved ammunition at the expense of the quality of our people, nor at the expense of our strategic programs.

But in the equation you mentioned, our balance has been as yours is: Preserve the ammunition, particularly the smart ammunition, at the expense of the platform, if that is the choice you have to make, and that is the choice we have made.

ARMOR STATUS IN NATO

Senator RUDMAN. Well, I would seriously question, in fact I would more than question, I would stridently disagree with the answer you just gave. I will give you some rather specific examples. I will supply something to you for the record. I will turn the tables. Because I intend to make a point of this in the coming year.

I particularly look at the situation in Europe with NATO in armor. I hear a lot of lip service being given to the qualitative edge we have over the Soviets. There is incredible technology available now to give us force multipliers out of our 155 tubes, our 8-inch tubes, our helicopters. The Air Force, who have now by the way lost interest in the program, because although they are theoretically interested in killing tanks, they are much more interested in buying airplanes, and the result is the Army has had to move into some of these initiatives. These are not products, by the way, made in my State. This is nothing I have a parochial interest in.

I have an interest in seeing force multipliers where we start buying these weapons in sufficient quantities. I submit to you that we are not doing it. I will give you chapter and verse why we are not doing it. I am going to make you promise that before this session of Congress is over, I am going to make an issue of it to the point where I have to do it on the floor and add money into whatever the Armed Services Committee reports out, and this committee reports out, I will make a strong case to be less platform conscious for at least a year or two, and start buying some of this technology that will make a difference.

I will supply you what I am talking about in the coming weeks, and I am going to supply it to everybody over there, because I think you are making a bad mistake, and you are making it for the fifth year in a row.

Mr. TAFT. Well, Senator, I just do not think the facts will—we do not have a disagreement on policy. You seem to think we do, but we do not. We may have a disagreement on facts as to whether in fact we have executed the policy that you support and which I agree with.

The facts are, as I described in my chart, that in a $73 billion reduction in 1988 that we have taken, $47 billion came from procurement. That is mainly platforms, crudely speaking, and only $18 billion, just about a third, came from O&M, which is the area you are talking about. In 1989, $46 billion or $47 billion, really, came from procurement out of $78 billion, and only $20 billion from O&M. So more than twice the amount that we have taken out of O&M has come out of procurement, and those accounts are about the same size.

So I am not trying to pull a fast one in that regard, either. They are about $70 to $80 billion apiece. I would also point out that the Congress last year cut our O&M, and this committee I am sorry to say was a leader in this area, cut our O&M request last year by some $7 billion. That was right on line with the reduction it took from the budget as a whole, $7 billion out of 1987, about $30 billion out of the total.

It was as if it had gone across the board with no priority whatsoever. We also have in our supplemental request a request for smart weapons and ammunition, and I would hope that we would have your support for those.

So we are with you on the policy. We may have a disagreement on the facts, but let us enact the supplemental and let us not cut the O&M request the way you did last year.

AREA OF CUTS

Senator RUDMAN. Well, Mr. Secretary, that is a totally spurious statement. I am going to also supply you for the record where those cuts came. Those cuts that came in O&M came mainly in pricing adjustments, more than half of it in fuel, and they did not come out of ammunition stocks. I think you and I have a very basic disagreement, not just as to policy, but just as to what the facts are. We are going to get those facts up before this committee before this year is over.

So we are with you on the policy. We may have a disagreement on the facts, but let us enact the supplemental and let us not cut the O&M request that we had the way you did last year.

Senator RUDMAN. But cuts last year in O&M made by this committee were pricing cuts that were discussed with DOD and were made because they would do the least damage.

They did not come out of the kind of things I am talking about. And let me say something further, that the amount of money that it would take to do what I am talking about just in the antiarmor area is infinitesimal in terms of what we are spending on platforms.

If we spent another $750 million this year on just antiarmor smart munitions, we would enhance the force multiplier effect of NATO by a factor of I am not sure how much. And that is not just my feeling, Mr.

Secretary. That is the feeling of your field commanders who want this done.

Mr. TAFT. Well, Senator, I will work with you to support the requests that we have before you. And if you would like to add to those requests, I do not think you would find that we will be resisting that very strongly.

Senator RUDMAN. We will just adjust, Mr. Secretary.

Mr. TAFT. We could certainly get along with more.

Senator JOHNSTON. Senator Proxmire.

NEAR-TERM DEPLOYMENT OF SDI

Senator PROXMIRE. Secretary Taft, I want to follow up on the questions asked by Senator Johnston on SDI. Robert Jastrow in the Marshall Institute recently published a blueprint for near-term deployment which you were asked about, which he said was based on briefings from the SDI organization.

The press has reported that this is the type of near-term deployment blueprint that SDI is considering.

In Jastrow's blueprint, he claims that for a mere $120 billion, the Defense Department can begin deploying within 7 years an SDI system consisting of ground- and space-based rocket interceptors that would be 93 percent effective against Soviet ballistic missiles. Now that is quite a breathtaking prediction.

Can the Defense Department make a 93-percent effective deployment in 7 years for over $120 billion?

Mr. TAFT. I am not familiar with that proposal. We have made a great deal more progress on the SDI program than we antiticipated.

I have not seen that particular paper. But I would say only what I said to Senator Johnston that we are very serious about this. If we can deploy a system that will provide us with defense, we want to do it.

And such a system will be—I should point out that if such a system is possible, it would be worth a great deal, and we would be prepared to pay a lot for it, although $120 billion is a great deal to squeeze into the budget.

I think the American people would very much want it.

COST-EFFECTIVE DEFENSE SYSTEM

Senator PROXMIRE. What kind of deployment could we make in 7 years? Could we effectively spend $120 billion, could we get 90 percent or 80 percent of 70 percent effective defense for that kind of deployment?

Mr. TAFT. The program that you have before you and that we are requesting this year is very much more modest than that. It only goes out, in fact, to 5 years. But I think if you were to take it to 7 years, you would find it was more in the $50 billion, $55 billion range.

Senator PROXMIRE. And what proportion of defense, would that be, what, 50 percent effective, or 75 percent effective?

COST OF DEPLOYING, MAINTAINING AND MODERNIZING SDI

Mr. TAFT. This is our R&D—the program that we have before you is our research and development program. If deployment opportunities present themselves as a result of our work, it would be additive to what we have before you.

Senator PROXMIRE. Well, that is right, but that was not my queston.

How effective would this be in terms of proportionate defense? Would it give us a 50 percent, a 90 percent, or what?

Mr. TAFT. Well, you are talking about a hypothetical program. It is as effective as you say it is. We do not have that program ourselves that I am aware of.

When we have a program, we will estimate its effectiveness. We will estimate its cost, and the time in which it could be deployed, and as I say, we very much would like to deploy a very effective program. A less effective program would be less attractive.

COST BASED ON NITZE CRITERIA

Senator PROXMIRE. I presume you will also comply with the law which requires you to meet the Nitze criteria, which is, of course, as you know, that it be cost-effective at the margin, that it cost less than the cost to the Soviet Union of overcoming it; is that correct?

Mr. TAFT. We will certainly comply with the law.

Senator PROXMIRE. Now, my next question is this.

One aspect of this whole SDI question that seems to be ignored is what it would cost us each year to deploy, maintain and modernize an SDI system.

Dr. Harold Brown, who is the former head of the Livermore Lab where much of this work is done, former Secretary of Defense, a world-class physicist—as expert as you can get, I guess, in this area—has estimated, based on careful study of SDI, that it would cost between $100 billion and $200 billion a year, annually, to deploy, maintain and modernize a robust SDI system in 1986 dollars.

That is half of the entire defense budget today. Now, let us split the difference, make it $150 billion. Assuming Congress in the future only appropriates modest increases in the defense budget, which is a pretty safe assumption at this point, how would you accommodate a $150 billion annual SDI budget within the overall DOD budget? Just cut everything else in half?

Mr. TAFT. Senator, I think it is a question of the priority that is attached to this program. If the Congress is presented—and we are not at that stage today. We do not have SDI, as the Chairman of the Joint Chiefs of Staff said, in the parking lot. It would be nice if we did, but we do not.

If the research and development work that we have underway presents to us the possibility of deploying an SDI system, it is something that we would very much like to do.

It would be time then for us, and for you, to see how much this costs and how effective it is. All of that material will be made available to you.

That is not what we are proposing in the budget before you. This budget requests $5.2 billion, not $150 billion, for SDI research and development in 1988. $6.2 billion, not $150, in 1989.

I would solicit your support for those, and if we get your support, we may come to the point where we will be able to get some answers to the questions you are asking.

Senator PROXMIRE. Well, I appreciate that. But I hope you will crank into your calculations the estimates by somebody as expert as Harold Brown. I suppose there are other people who are also highly competent in this field.

But I have yet to hear the Defense Department or the advocates of SDI make any estimate as to how much it would cost to maintain, modernize and operate this SDI, once you get it in place, and where the money is coming from to do that, and what other military priorities you would have to knock out.

Let me ask you this, Secretary Taft: In the fiscal year 1988 DOD budget, you are buying fewer weapons to bring the total budget request nearer to a level Congress might live with. But in doing so, these stretch-outs will end up costing the American taxpayer more money in the long run, because the unit prices of many weapons are driven up.

UNIT PRICES OF WEAPONS SYSTEMS

For example, in this budget, we are seeing unit prices of the M–1 tank, the Blackhawk helicopter, the Harrier jump jet, the Hawkeye warning planes and Sidewinder missile, all increasing because of these stretch-outs.

The only reason DOD is doing this, as far as I can see, is because it does not want to bite the bullet and make hard choices between competing weapons in other services. Is that not correct?

Mr. TAFT. No; that is not correct, Senator. It is correct that the unit costs of weapon systems rise when we buy fewer of them, at least in many cases; not in all cases. The F–16 impact is minor, for instance, at the 180 level that we are proposing.

But yes, the unit cost of an M–1 goes up when you buy 600 rather than 840; however, the budget goes down. And that is why we do it.

This is not something that we are happy about. In the M–1 program, we have a situation actually where we are approaching the time when we must decide what is the proper sustaining rate for that line, since we have bought a great many of the tanks that we had planned to buy, and so that is a special case.

But generally, you are correct. Unit costs have gone up. It is not because we have not made decisions to kill programs. We have killed some programs.

But if we need a program, killing it does not solve it. Slowing it down is what we do. We do not like the higher costs, but we need the lower budget.

Senator PROXMIRE. Well, I recognize that. But the problem seems to me, that you have to make a decision on the weapons you get. If there are some weapons you feel you need, you just have to rate them on a priority basis as to which you need more.

TERMINATED PROGRAMS

Mr. TAFT. Well, we do that, but that does not mean that we kill them. We kill some, as the saying goes, and we have terminated a number of programs, indeed, we are intending to terminate the AH–64 program early. We have terminated the AHIP. We have terminated the PELS program. We have terminated the shuttle operations planning complex program. A number of others that are lower priority.

We were not particularly happy about doing that either. Those programs would have added to our defense capability. But sometimes we kill them; sometimes we slow them down.

NAVY SHARE OF DOD BUDGET

Senator PROXMIRE. Now, it appears that the Navy won the budget sweepstakes for fiscal 1988–89. It captured the largest share of the DOD budget.

Yet I notice that over the next 2 years, the Navy is asking for more money for fewer ships. The shipbuilding budget will increase about $2 billion in the next 2 fiscal years, but the Navy is seeking authorization to build eight fewer ships under the plan.

Why is that? Are we getting less bang for the buck in the Navy?

Mr. TAFT. I think I should introduce you to Senator Rudman, who has left. That sounds like exactly the point he was making. We are reducing the platforms, and we are preserving the ammunition. That is a good example of it, that we are trying to keep the Navy readiness and modern ammunition rates higher. And the platforms, we basically are at the 600-ship level. In 1989 we will have, I think, 605. That is where we want to be.

We need to buy now about 20 ships a year, if you assume a 30-year life, to sustain that level. And that is what we intend.

In the early 1980's, we have had to buy more than that, because we were growing from about 455 ships up to 600. We are basically there, ships taking 4 to 6 years to deliver. You would expect to see that downturn in the shipbuilding account.

UNITED STATES/SOVIET RACE IN MILITARY TECHNOLOGY AREAS

Senator PROXMIRE. Secretary Taft, the Undersecretary for Research and Development has reported to this committee consistently in the last 2 years that we are way ahead of the Soviet Union in the 20 most important military technology areas.

In fact, last year they reported we were ahead in 14; tied in 6. And the Soviet Union was ahead in exactly none.

And yet I notice that the Defense Department is seeking a $7.9 billion increase in its research and development budget to bring it to about $44 billion in fiscal 1988.

SDI EFFECT ON DEFENSE BUDGET

That makes the R&D budget the fastest growing part of the defense budget. Why are we asking for this surge in R&D spending, and what part is SDI playing in that?

Mr. TAFT. The SDI is a significant portion of that number, and I think SDI went up perhaps the fastest of any of the portions of the budget.

This is in part due to the priority that we attach to it, and in part due to the very severe reduction that the Congress took in that account in the fiscal year 1987 budget, so we have a lower floor.

The proportion increase in the SDI budget, fiscal year 1988 over fiscal year 1987, is much higher than fiscal year 1989 over fiscal year 1988, because you have not acted to reduce fiscal year 1988, as you did fiscal year 1987.

The research and development account is made up of a great many different components. And SDI, I would say, if you had to single out one portion of it that accounts for the increase more than others, the SDI is that item, and that is because of the high priority we attach to it, which you and I have discussed earlier.

Senator PROXMIRE. Thank you. Thank you, Mr. Chairman.

Mr. TAFT. If I may, also Senator, I would like just for the record—you said the Navy won the sweepstakes in the 1988 budget. Its proportion of the 1988 budget as submitted is 33.7 percent; as you say, the highest single service share.

That compares with 33.8 percent that the Congress gave it in its appropriation last year. So we really held them down.

Senator JOHNSTON. Senator Weicker.

Senator WEICKER. Thank you very much, Mr. Chairman.

Mr. Secretary, I think some of the difficulty I have from time to time is to fathom exactly what it is that is required in terms of our defense dollars. And let me pursue a line of questioning relative to the book here which you presented to the committee.

FIVE-YEAR DEFENSE PLAN

This is what we received. Am I correct in saying that there is an internal DOD document known as the 5-year defense program prepared by your controller; is that correct?

Mr. TAFT. The 5-year defense plan, yes.

Senator WEICKER. For example, it is my understanding, even though the 1988–92 document has not been finalized, that it, for example, is $83 billion more than what we have been presented here this morning; is that correct?

Mr. TAFT. I am not sure I understand you. It has 3 more years in it, but that would be a lot more than 80—we are only requesting 2 years in the document you showed me.

Senator WEICKER. The 1988–92 internal DOD 5-year defense program exceeds the topline summary amounts reported to Congress by Secretary Weinberger, on page 98 of his report, by about $83 billion; would that be correct?

Mr. TAFT. I am not sure of those numbers, Senator. I would say this, it would not be unusual for the out-years to be a little above what we actually intend to submit in budget quality.

We scrub the budget years.

Senator WEICKER. A little above? A little above? $83 billion?

Mr. TAFT. Well, you are saying 83. I do not know what the number is. But it would not be unusual to be above by about $10 to $20 billion a year. We scrub that out, as a rule, before we submit a budget and make a request. This year we scrubbed $40 billion out.

Senator WEICKER. Well, let me revert to something that I do have a copy of. Let's talk about the 1987–91 5-year defense program.

The internal DOD 5-year defense program shows that funding projected for 1987–91 exceeded the amount reported to Congress on page 101 of Secretary Weinberger's fiscal year 1987 report, by $63 billion.

How do you explain that?

Mr. TAFT. Well, as I say, these are not, in terms of budget—the question is, the 5-year plan is not a budget. It is a program. It is not priced as a budget is priced. It has assumptions in it that are not challenged or questioned.

It is a very valuable planning document, and it gives you a lookout as to what the programs that we are requesting appropriations for will require at a particular level.

But I have been in this business now doing this budget for 3 years. I have never been particularly worried at the prospect of scrubbing out in the budget year $10 to $15 billion as we go from program to budget quality.

And I would expect any overage would be in that category. I do not know exactly what the numbers are, but I would not be terribly worried about our inability to submit a budget, when we do that, that is consistent.

We always have, and we will again.

Senator WEICKER. Of course, that is not the position that the Secretary takes. As the Secretary states in an article which he wrote: Congress has a great opportunity to take a long-term view of budgetary commitments. And indeed, if the 5-year aspect of it has relatively little meaning, why even include it in the report that we have here.

It is obviously meaningful. But your credibility is at stake when, indeed, you have one internal document that has one figure, some $83 billion more than the document you have just presented us.

And indeed, if you want to go back to last year, that figure is established: $63 billion more.

Now, I find it a little difficult to deal with you when you are keeping two sets of books. That is what we are talking about.

Mr. TAFT. Well, they are two different kinds of books. One is a budget book, and the other is a program book. And when you go from program to budget, the number does come down; that is all.

And we want to keep both sets of books accurately. There is nothing secret about this internally in the building. That the program is always a little higher than the budget.

It is sensible, in fact, to run it that way. That is the way we do it.

REPORT ON 5-YEAR DEFENSE PROPOSAL

Senator WEICKER. As soon as the report is finalized, then, I would ask that you submit it to committee, so that we have both documents. I want to see the fiscal years 1988–92 internal DOD 5-year defense program. I want that submitted to this committee.

Is that possible?

Mr. TAFT. I will consult with the committee. I am not sure what the practice has been in the past. I think we should be consistent with what that practice has been.

Senator WEICKER. No; what I am saying to you is, if you consistently have had a practice of developing two sets of books, one which is outside the knowledge of this committee, that is not a correct procedure.

I do not care what you have done. What I am saying to you is, you have right now, and I gather it is almost finalized from my sources in the Pentagon, your internal document, which is considerably different from that which you have presented to this committee.

Mr. TAFT. We have a lot of documents that are different from the one that we are presenting——

Senator WEICKER. No, no; let us not fog it up, Mr. Secretary. Let us not fog it up.

I have here your last one. Your last internal 5-year program, marked secret. Fine. Secret for you, but not secret for this committee.

Mr. TAFT. No, that certainly would not be——

Senator WEICKER. And it is entirely different from the 5-year program which you have presented to the committee.

Mr. TAFT. I am not familiar with the problem that you are——

Senator WEICKER. It is $63 billion different than the document which you presented to this committee last year. And it is my knowledge that this year; that is, fiscal years 1988–92, is going to be $83 billion different than this document.

Do you consider that to be an appropriate way of approaching the committee?

Mr. TAFT. Well, Senator, it is not a question of an appropriate way to approach the committee. We approach the committee with our budget request. That is a very firm budget request. And we are requesting that, and there is nothing ambiguous about it. It is clear. You appropriate that amount, and we will go home and we will say, you did exactly what we asked. And there is no argument between us.

If you then continue to appropriate the other amounts in the outyears, that will be totally satisfactory to us. And we will come in with budgets, when the time is, that are completely consistent with that.

We have documents in the Department that are not budget quality documents; they are program documents, which is what the 5-year plan is.

And they are useful to us in assuring that we meet the commitments that we make to the committee. They are not those commitments, however. They are preparatory and useful in getting to those commitments.

We will meet the commitments that we have made to this committee, and I think that is the way to approach the committee. It is perfectly straightforward. And the fact that we use other documents to prepare to meet those obligations that we undertake should not be a reason to charge that we are not being straight with the committee. We are.

We have a request before you. That is our request.

Senator WEICKER. Mr. Secretary, the discrepancies between your internal document that that which you presented to the Congress for 1987–91, were $.7 billion in 1987; $8.9 billion in 1988; $10.1 billion in 1989; $23 billion in 1990; and $20.2 in 1991; for a total discrepancy of $62.9.

Now, I would suggest to you that the integrity of your presentation to the committee is clearly watered down in terms of having these two different documents.

And in order that we have the full picture as to what exactly it is—and do not forget, this is what the Secretary wants; long-term budgeting. Now, you have two long-term budgeting documents; one for your internal consumption, and one for presentation to Congress.

Mr. TAFT. Excuse me, Senator, that internal document is not a budget document.

Senator WEICKER. I am not talking about——

Mr. TAFT. It is a program document. It is very different.

Senator WEICKER. Prepared by you.

Mr. TAFT. Yes; it is,prepared by us.

Senator WEICKER. The exact equivalent of what you have in here.

Mr. TAFT. No; it is not the exact equivalent. It is not even in the same language.

Senator WEICKER. Mr. Secretary——

Mr. TAFT. It is in TOA rather than budget authority.

Chairman STENNIS. All right, gentlemen, let us just take your time.

Senator WEICKER. This is the report of Secretary of Defense Caspar Weinberger to the Congress on the fiscal year 1988–89 budget, and the fiscal year 1988–92 defense programs. It includes both.

And what I am saying to you is this: you have an internal document that relates to the fiscal year 1988–92 defense programs that is different from what you have presented to the committee.

And in order that we can judge whether you or I are correct, I formally make the request of you to present to the committee—to the committee—the internal document relative to the fiscal year 1988–92 programs.

And I ask unanimous consent that my full statement be placed in the record at this juncture, and the questions in that statement be placed in the record.

Chairman STENNIS. Without objection, it is so ordered.

[The prepared statement of Senator Weicker follows:]

PREPARED STATEMENT OF HON. LOWELL WEICKER

U.S. SENATOR FROM CONNECTICUT

In his opening remarks in the debate over the fiscal year 1988 defense budget, Secretary Weinberger suggests that Congress needs to "take a long-term view of budgetary commitments, their effect on future resources and policy decisions, and the relationship between strategy and resources" rather than allowing itself to become bogged down in "detailed annual reviews of line item funding levels."

As a member of the Appropriations Committee, I have to disagree with the Secretary's assessment of how the Congress should conduct itself. I think we have a responsibility to perform both the policy and the budget review functions. However, the Secretary is very correct in identifying the strategy-resources question as an important one—one that has been ignored in the recent past and one that needs much closer scrutiny by Congress.

Secretary Weinberger's Annual Report to the Congress, Fiscal Year 1988 contains a brief but informative discussion of the two principle elements in the national security equation—goals and strategy and long-term budgetary commitments. But do these elements indeed constitute an equation? Are resources and strategy in the proper balance? Can the Armed Forces execute the strategy? Secretary Weinberger does not provide unequivocal answers to these questions.

With respect to the future, Secretary Weinberger maintains that the President's new five-year defense program, which projects a need for $1.7 trillion with 3 percent "real" growth annually for fiscal years 1988–92, will overcome past shortfalls and will provide the minimum essential level of growth to fulfill our national security objectives.

I would argue that there is a mismatch between strategy and resources, that is, there is a wide gap between strategy and capabilities. Even though Congress has provided more than $1.7 trillion in defense appropriations since 1981, the gap has not been closed. The time has come to devise a strategy that is affordable. And that does not mean abandoning our commitments abroad, but it does mean abandoning certain planning assumptions and out-of-date strategic ambitions, like fighting 2.5 or 3.5 wars simultaneously, and it would mean giving greater weight to the military capabilities of our allies in calculating resource requirements.

For these reasons, I would like to examine the integrity of the foundation underlying our national military strategy—the five-year defense program, and in doing that, I hope we gain a better perspective on the viability of our strategy.

FIVE-YEAR BUDGET PLAN

Senator WEICKER. I might add, Mr. Chairman, I have made the request of the Secretary. And I would expect, and I would request, that the Chairman of the committee, and the committee, pursue the matter of getting the document that I have requested of the Secretary.

Chairman STENNIS. All right, Senator. We will get into that, and I will talk to you about it further, too.

All right, gentlemen, it is in vogue somewhat to adopt a rule of when you call on different ones. We have not yet adopted any rule, generally. We have followed this committee's idea of calling on members in the order they arrive. I understand Senator Garn is next, so until we can pass on the matter and get a rule, let us follow that.

Senator Garn.

Senator GARN. Thank you, Mr. Chairman. I would just make one comment on the previous conversation of Senator Weicker, who just left. I had a difficult time understanding his line of questioning because I would expect his questions would apply to every agency of government, including HHS and HUD. I do not care which one it is.

I have only been here 12 years, but every department of government has plans and their wish list for what they would like for a period of 5 years. Then they go to OMB, and OMB scrubs, and finally we come up with the presentation for the various committees. That was true of my subcommittee with HUD and NASA and all of the independent agencies I dealt with.

So I think we need to put that in perspective. It appears to me that this is a normal procedure, and trying to make Defense a scapegoat for having 5-year plans internally that may, or may not, result in a budget request. It is certainly not a matter of anybody's integrity, and maybe on the other committees I will demand the same thing of all the other agencies. We would like to see what budget estimates they originally start with. What is fair is fair, and HHS would be a good one to see what their wish list is and what they finally end up submitting as a budget request.

You refer in your prepared statement to the roller coaster effect on the defense budget, and that certainly is true in the years I have been here. It goes up and down, and that is hard to deal with. I am concerned, however, that the Department is doing the same thing internally with decisions that affect space-related programs.

SPACE SHUTTLE PROGRAMS OF NASA

I know better than anybody else what difficulties the loss of *Challenger* has caused and the disruptions with NASA in our overall space program. I am not sure if Defense has decided what their space program is, and let me give you some specific examples.

The Shuttle Operations and Planning Complex in Colorado Springs, as I recall you personally reinstated that in 1985 when the Air Force was worried about their budget and did not want to go ahead with it. Now, you apparently have confirmed the cancellation when the Secretary of the Air Force says he can find the money to keep it going. Are we not dealing with the same sort of problem, up and down? Is the Air Force going to be in manned space, or are they not? It seems to me if they are, that operation center is a necessity.

Where are we on that? Now, you have gone from personally reinstating it to confirming it, and the Air Force Secretary has switched in the other direction.

Mr. TAFT. Let me just say, Senator, that on your opening statement, I should have deferred entirely to you. I think you have more of an understanding of what Senator Weicker's concern was than I did when I was conversing with him, and I appreciate your remarks.

I agree with them up to the last part where you said you wanted all these plans from everybody.

Senator GARN. I really do not. I just wanted to make a point. [Laughter.]

Mr. TAFT. On the planning center for the Shuttle operations, I think you have well described the situation. I did reinstate it in 1985, and we had to take it out in preparing the fiscal year 1988 budget in 1986. It has been a close question, as that history would suggest to you. It is something we like. It would be helpful to us. On the other hand, the main difference between fiscal year 1986 and the fiscal year 1988 budget and fiscal year 1985 and the fiscal year 1987 budget is not the merits of the SOPSI, it is the amount of money I have.

The fact is I have a lot less money in the fiscal year 1988 budget than we were planning in fiscal year 1987, and at the margin we decided that we could make due with the facilities at the Johnson Space Center on this. Clearly, the SOPSC would be beneficial to us. That is why it was in last year, but this is a time when we needed to look at the margin, and it dropped out.

Senator GARN. I understand your problem. The Secretary of the Air Force was willing to make adjustments in order to go ahead. Why is DOD overuling this?

Mr. TAFT. That was not the discussion I had with the Secretary of the Air Force. He basically said what I have said, that it would be a desirable thing. He never presented to me where our source would be to fund this. That was not offered to me.

Senator GARN. I will not take any further time. I will pursue this with you and the Secretary.

REVISED DOD SPACE POLICY

After the *Challenger* accident, DOD ordered a review of your space policy. What is the status of the revised DOD space policy?

Mr. TAFT. Well, we are very committed to our role in space and to making the use of space that we need to enhance our security. That is reflected very much, of course, in the SDI Program but also in our more mature programs that we have and in the intelligence part of the budget.

Senator GARN. Do you not have some sort of a document outlining that? In other words, I see the space policy going up and down. Are getting to a point where you are going to have a recommended space policy for defense?

Mr. TAFT. Yes; I think we do have a consistent program. I have a little difficulty discussing, as you can imagine, some aspects of it which are not for this forum.

Senator GARN. I understand. That is why I asked a very general question. I know exactly what you are talking about. At some point are we going to have a document, secret, top secret or otherwise, that outlines where DOD expects to go with manned space?

Mr. TAFT. We should have that.

STATUS OF VANDENBERG AFB

Senator GARN. One other question. On the status of Vandenberg, I am aware of all the difficulties you went through with deciding to continue it and then finally a decision to mothball. Last year, DOD requested $170 million to put this facility in caretaker status. Now the operations and maintenance request is for only $50 million to put the facility into a minimum facility caretaker status.

Is this deep sixing Vandenberg? Are we through with it, are we taking one more step toward mothballing, now a minimum status? Are we going to walk away from that investment? Is that what this means? It may not be your intent, but my concern is that is exactly what it means. At $50 million a year, Vandenberg will never open.

Mr. TAFT. We are talking about the shuttle part of that. We have, as a result of the *Challenger* accident and the shuttle program, had to make adjustments in that account, and at the end of the day it seemed that we would not be using Vandenberg until so far into the future that to keep it open in the interim really was an expense that we could not afford.

Senator GARN. I understand that. That was the original decision to mothball it. Now my concern is going even further to a minimum caretaker status of $50 million.

Mr. TAFT. Yes; and that seemed to make sense in view of the uses that we would have for it and the time when we would be doing them. It is far out in the future, and a decision would have to be made again later.

Senator GARN. Again, I do not want to——

Mr. TAFT. It really stems out of the budget for fiscal year 1987 that you referred to. It was a pre-*Challenger* budget.

Senator GARN. But what it also stems from is the decisions that are being forced on you in the overall budget.

Mr. TAFT. That, also.

Senator GARN. You are making priority decisions which are shortsighted, in my opinion, and some decisions that Congress is forcing on you. The point that was made earlier, we played this game of stretchout and slowdown the entire time I have been here, and in 6 or 7 years down the road when you and I are no longer here anymore and some future committee will sit here demanding why DOD is costing so much, it will be because of the stupidities of the decisions we are making now.

We are playing a game that everybody ought to recognize. You should not have to be too bright to figure out what we are doing. We who criticize the defense budget, we, the Congress, are probably the biggest reasons for overrun because we always take this year's budget and next year's budget and do not worry about who is going to be sitting here 6 or 7 years down the road.

I do not necessarily blame you, but you are responding to that kind of pressure. If Vandenberg goes down, it is a long way down the road, and that will be on somebody else's watch, and then when we need it, when we are fully back in the shuttle business, somebody is going to say why was that not up and going.

I do not know the answer, Mr. Secretary. I just think it is sad the way we play politics and games with the space program and the defense budget of this country, pushing it on to some future Congress. I do not want to let that happen.

Mr. TAFT. Senator, I agree with you that the hardest thing for us to do in the Department, and I imagine it is even harder for the Congress, is to make an investment in something that is not going to pay off today.

Senator GARN. Before the next election.

Mr. TAFT. Somewhere down the road, closing bases in an area of this kind where it costs money in the near year and the savings are 6 or 7 years out, investments of the kind you mention are very difficult to sustain. Investments in the things that you actually can see like ammunition and so forth which are here today and you just go out and buy it are relatively easy to support.

I think the 2-year budget that we have proposed is a step, an important step, in that direction to take a longer view of the decisions that we make. You have identified some places where my slip is showing, and I admit to the pressures on the current budget. I think you concede, and I know it is true, that the Congress has felt these same pressures and not always displayed the virtue that we would like, either.

So it is a problem. I would suggest the 2-year budget is addressed in part to that question, but it is a much larger question than the defense budget or anything. It is inherent in politics and in the bottom line of the budget deficit that is looked at each year in each quarter.

Senator GARN. Thank you, Mr. Secretary.

Chairman STENNIS. I bring it to you, Senator McClure.

NEAR-TERM DEPLOYMENT ON SDI

Senator MCCLURE. Thank you very much, Mr. Chairman.

Mr. Secretary, I wish to go into just a couple of areas, one of which has been addressed and the other has not. First is SDI.

The question was asked earlier, where is the pressure coming from for near-term deployment. I will confess to be one of those pressure points. I will not only confess it, I will allege it, because there are some of us who are looking at a 10-year R&D program that consumes tens of billions of dollars over that period of time and asking if in this budget situation we can afford that much expenditure in tight budgets when there is no prospect for near-term deployment.

Now, as I understood your answer to an earlier question, your comment perhaps with respect to an earlier question, you had suggested that if the research and development identifies near-term deployment opportunities, you will make those recommendations to the Congress. Did I understand you correctly?

Mr. TAFT. On one condition, Senator, that they are consistent with an overall program.

Senator MCCLURE. What program; an overall defense program?

Mr. TAFT. An overall strategic defense program that will protect the continent and not just be a one shot that will not be part of an ultimate program. In other words, any phase that we deploy should not be a detour.

Senator McClure. I think I understand what you are saying.

Mr. Taft. It should be on the road to the overall program and consistent with it and not an investment in something.

Senator McClure. May I ask you to broaden that horizon just a step, because I think I understand what you are saying but I want to ask this question. If, as a matter of fact, you compare it to all of the expenditures in the defense budget, not just SDI, and it is cost effective in terms of the choices you have for defensive options at the time, strategic balance options, defense versus offense, and it is cost effective to deploy some part of what is coming through the R&D system, would it not make sense to ask to deploy it if it is cost effective in terms of total balance?

Mr. Taft. You mean even if it were not consistent with and a part of an overall system?

Senator McClure. An SDI system, yes.

Mr. Taft. We would be very reluctant to do that.

Senator McClure. Why would you be reluctant to do it if it is cost effective to do it? It is a better economic and military strategy than some things that are outside of the SDI Program.

Mr. Taft. Our reluctance would stem from the fact that we think that we need to and should be pursuing a comprehensive program that will provide overall strategic defense.

Senator McClure. I have no question.

Mr. Taft. Well, there are things. We are talking in a hypothetical area here.

Senator McClure. Mr. Secretary, we have very limited time here. Let me make my point as strongly as I can, that if indeed your answer says we are not going to do anything that is not a part of the total no matter how cost effective it looks, in terms of total strategic balance, not just within the SDI Program, and if your answer is that we are not going to deploy any of those things until it is a part of the total and the total is the kind we want and, therefore, we will not do anything for 10 years, and I think that is what General Abrahamson is in effect telling us up here from time to time in private conversations and public testimony, you may find the Senator from Idaho joining those who are against the entire program, because I do not think it is cost effective.

Mr. Taft. Well, I would only say that I have not seen that——

Senator McClure. If you limit your parameters the way you have suggested right now, you may lose my support totally.

Mr. Taft. Well, we do not want to do that because it has been very valuable support for this most important program. I have not seen the program that you describe that is cost effective, but——

Senator McClure. You have not seen it, but you told me you would not look at it if you saw it.

Mr. Taft. I think I would look at it. I will change my answer, if I may, to say we would look at it. If it is something that is cost effective for defense, we would have to look at it, but we are unaware of it at the moment.

Senator McClure. Well, I appreciate your last answer, as painful as it was for you to give it and as painful as it was for me to get it. Now, I hope somewhere along the line we go the next step to make it real, because I think that any look at the SDI development today would indicate that there are some promising avenues that are not necessarily a part of the final result but nevertheless have some very, very good potential for strategic balance between now and the completion of the program.

SMALL MOBILE MISSILES

The second question that I wanted to get into, Mr. Chairman, is the question of the small mobile missile. Some months ago I wrote a letter to the Defense Department asking for some cost comparisons, cost effective analysis on several different delivery systems. I have not yet received an answer to that letter.

I would hope that you can somewhere down in your archives find that letter and respond to it, because I am not at all convinced as I sit here now that the small mobile missile is a cost effective weapons system compared to the alternatives that are available to us now.

Mr. Taft. Senator, you should certainly have that material. Two of the things that the Congress, as you know, has taken a great interest in are both the MX and the small missile, and our intention is to provide all of the information on both of those systems so that the Congress can make its decisions on them. I will see that you get that information.

Senator McClure. If you will, please.

To identify for everyone here where I may be coming from, and it should not be any secret at all, if you look at the development costs of the small ICBM system, they are very, very high per deliverable warhead.

Mr. Taft. It is a very expensive system.

Senator McClure. It is a very expensive system. It is done in the name of survivability. It may also be done in the name of the triad. I am not sure what its justification is, but if you look at refitting Poseidons, you get a more survivable system at a much, much lower cost, in my judgment.

Now, if I look at the political context in which you have to make those decisions, I am afraid I see the Pentagon deciding that the most costly option is more politically doable than the least costly option, and, therefore, we will have to go with the most costly option.

If, indeed, I am correct in that, let us set aside the political equation for a moment and tell the people the truth about what the costs are, and then we will see what is the most cost effective, and we will also see whether or not it is politically possible to do the lowest cost option.

Mr. Taft. We think it is very important that you should have the full costs of that system. It is, as we have studied it, a very expensive one, and you should be fully familiar with all of the costs involved.

Senator McClure. I want to look at the costs as compared to several other options, not just Peacekeeper and not just small ICBM's.

Mr. TAFT. I think we should make that available to you, because it is going to be an important issue, and I think this is the year for the Congress to step up to that problem. It is $2.2 billion in our fiscal year 1988 request, and the Congress ought to be satisfied in appropriating that money that it is going all the way through.

Senator MCCLURE. I do not disagree with what you are saying, and I hope Congress and this committee will look at those cost comparisons very carefully. Maybe it is time for us to give some guidance to the administration as to our own judgment of what is politically possible and what is not so that we can together develop the best possible defense for the lowest possible cost. I think you are dedicated to that. I know I am.

Mr. TAFT. We will work with you on that, yes.

Senator MCCLURE. Thank you very much, Mr. Secretary.

Mr. Chairman, I would like to submit some other questions if I may.

Chairman STENNIS. Yes; very well. Without objection, additional questions by the Senator will be admitted into the record at the conclusion of the hearing.

ARMY BUDGET

The Senator from Arizona.

Senator DECONCINI. Thank you, Mr. Chairman, very much.

Mr. Secretary, I am concerned that the overall budget picture that we have before us projects the smallest Army budget in 38 years. President Reagan discusses the elimination of nuclear weapons, and Senator Nunn over at Armed Services intelligently stresses the need to evaluate the capability and long-term strategy for conventional weapons.

When can we begin to address these concerns with near-term readiness balanced with long-term strategy and procurement, especially for the Army?

Mr. TAFT. I am not familiar with the smallest Army budget in 30 years, Senator. I have $80 billion——

Senator DECONCINI. No; I said it is the smallest Army budget in proportion in 38 years. Excuse me.

Mr. TAFT. You mean as a proportion of the whole budget?

Senator DECONCINI. Yes; a proportion of the total.

Mr. TAFT. I have the Army in 1988 at 26.4 percent of the total budget and in 1987, the enacted budget, 26.4 percent, just the same.

Senator DECONCINI. I would be glad to stand corrected.

Mr. TAFT. The question you raise is an important one, and it is one that I am concerned about as well. The Army budget, like all of our budgets, has been under considerable pressure. The Army's priorities and our priorities for the Army have been principally the quality of its people, and it has a lot of people. In comparison with the other services, its people bill is a larger proportion of its total.

Senator DECONCINI. Is that the reason, Mr. Secretary, for its smaller proportion of the budget?

Mr. TAFT. Its proportion of the budget is exactly the same, but it is the reason for why if you protect people and in the Army also if you protect force structure, which we have protected, the light divisions that we have initiated and keeping the heavy ones as they were, then the burden of that constraint is felt on the major systems and on the readiness accounts. There is no other way to absorb it.

It is not to say that the Army bears an unequal share of the burden on the budget as a whole. It does not, as the figures that I gave you suggest, but internally in the Army budget, the priorities for the Army are people and force structure, and those we have done very well on. The Army has benefitted there, and the Reserves, also, I should say.

I am not going to tell you that we are modernizing the equipment in the Army at the rate I would like or that we have as much in the ammunition accounts and sustainability accounts as I would like, but that is where the pressure has been absorbed.

Senator DECONCINI. Mr. Secretary, my source of this information which projected the smallest Army budget is General Wickham, and I will ask him where he put that together.

Mr. TAFT. He has said many times this is the smallest Army in 30 years, the smallest number of people in the Active Force.

Senator DECONCINI. Well, that may be.

Mr. TAFT. That is true. We have been building in the Reserves, as you know.

Senator DECONCINI. So you concur that it is the smallest Army in 38 years?

Mr. TAFT. It is 780,000, which is the smallest.

OFFICER REDUCTION STRENGTH

Senator DECONCINI. Now, Mr. Secretary, in the authorization bill of 1987, I remember that we mandated a program of officer reduction strength. I do not recall that it was above and beyond 1987. It goes into 2 percent reduction in 1988 and 3 percent in 1989.

Have you projected what this means in terms of actual reduction in numbers and how many would have to be RIF'd?

Mr. TAFT. Well, we can project. It is not difficult. It is a mathematical formula off of the fiscal year 1986 base, so the numbers would be obvious.

What we have also been directed to do, though, in the fiscal year 1987 bill is to do a study of our officer requirements. We think that before proposing an allocation or even totals for the fiscal years 1988–89 officers that we should do that study. I know the Congress concluded, and I do not know how they concluded it because they had just gone through and authorized a specific level for fiscal year 1987, looking at each service individually, and then somehow they concluded that it was 1 percent too high and told us to take a 1-percent reduction.

Senator DECONCINI. Which you did.

Mr. TAFT. Which we have done.

Senator DECONCINI. Is this a 2-percent reduction for fiscal year 1988?

Mr. TAFT. They then said do a 2 percent and a 3 percent, but at the same time they said do a study so that we will know how many you should have.

Senator DECONCINI. What are you doing; both?

Mr. TAFT. We are doing both and, frankly, we are first doing the study, and we hope that the Congress, as I assume was its intent, will address the 2 percent and 3 percent figures in light of the results of the study. It seems the sensible thing to do.

Senator DECONCINI. When will the study be available?

Mr. TAFT. June 1 is the deadline we have aimed for.

Senator DECONCINI. I am very concerned that we have overmandated the officer reduction for 1988, and I am anxious to see that report.

Mr. TAFT. We are concerned about it, too, and we will work with you, Senator.

Senator DECONCINI. Thank you.

ATTACK HELICOPTERS

Mr. Secretary, the Soviets have fielded a large array of attack helicopters from Afghanistan to Nicaragua. This merely shows that most super powers believe that the attack helicopter will play a pivotal role in the future land battles.

The Apache attack helicopter was developed in recognition of limitations with the Cobra performance. The Apache represents a significant upgrade in fire power and survivability, as you know. Additionally, it provides the Army with a critical mobile, lethal antitank capabilities. It can operate worldwide.

The fiscal year 1987 budget provided for procurement of 144 at the economic rate of about 12 per month. I consider this program to be very important for our strategic defense and to continuously upgrade our operational capabilities. I am concerned about 1988–89 in your budget proposal here. What can you give us as to the status of this program?

Mr. TAFT. The Army Helicopter Program has been a very difficult issue for us, and what we have proposed is to curtail the AHIP, the program which bears on this. We have also proposed to end the AH–64 program shy of where we had proposed last year to go.

I think we are ending it in fiscal year 1989 with a buy of I think it is 60-some in fiscal year 1989, whereas the figures you mentioned of 144 per year were what we had originally projected. I will say that the Congress last year reduced that 144 we requested to 120, so they have been feeling some of the same pressures that we are.

Our thought is that the LHX program will mature and come along as an effective replacement for that, and we have substantial investment, $400 million in fiscal year 1988 and $600 million in fiscal year 1989, in that program. If that program is not moving along at the rate we feel is desirable and giving us an LHX, then it would be unwise at that point, I think, to stop the AH–64 line.

Senator DECONCINI. It would be what?

Mr. TAFT. It would be unwise.

Senator DECONCINI. Will you make that decision?

Mr. TAFT. We will then propose to take some of the money that we have in the LHX line, and it would be available to the Congress, to keep the AH–64 line open. We have written the budget the other way.

Senator DECONCINI. That is what I am concerned about. When would you reevaluate it?

Mr. TAFT. We would probably during the course of the summer have a full review of the LHX program and how it is going and share the results of that with the committee.

Senator DECONCINI. Is it my understanding that the LHX is to replace the Apache, or was it a supplemental or is it giving it further advancement?

Mr. TAFT. No; it was not. It has a different sort of mission.But we do think it is very important, and if it can—if it is going well, we ought to put our money there. That is our thought.

If it is not going well, we would prefer to put the money back into the AH–64.

Chairman STENNIS. Senator, you have 2 minutes.

Senator DECONCINI. Thank you, Mr. Chairman. I appreciate that.

I have a few more questions I will submit regarding the Apache. If you could be a little bit more precise, to your staff, as to this evaluation that is going on and when you think that determination will be made, I would appreciate it, Mr. Secretary.

Mr. TAFT. Very good, and we will advise the committee.

Chairman STENNIS. Thank you, Senator. Did you have two questions more?

Without objection, the added questions will be admitted to the record.

The Senator next on the list, Senator Sasser.

Senator SASSER. Thank you, Mr. Chairman.

MILITARY CONSTRUCTION BUDGET

Secretary Taft, I am chairman of the Military Construction Subcommittee. And the President's budget, as you know, provides for a real increase in defense spending across the board of 3 percent, but in military construction the budget seeks an 18-percent increase, which is six times the increase that we seek for the defense budget overall.

Now, I think it is—and I think it is pretty common knowledge—that it is likely that the budget resolution is going to reduce the allocation of the 050 defense function. If that is the case, then the amount available to this Defense Appropriations Subcommittee for total appropriation is going to be less than you are requesting.

In the past when we reduced the defense allocations they have simply been spread across the board. And if the subcommittee, the Defense Subcommittee, is held here to no real growth, which I think may be the likely outcome of the budget resolution coming from the Budget Committee, then the Military Construction Subcommittee is going to be held to the same level of growth.

I assume that the Department of Defense is telling the Congress by requesting 18 percent real growth in military construction, which is six times the growth you are requesting in the defense budget overall, that DOD believes that military construction is a special case and should receive a larger increase than other defense accounts.

Frankly, I do not disagree with that assessment, but it means that, if there is a reduction, I am going to have to try to go to the Defense Subcommittee and persuade the distinguished Chairman of this committee, Senator Stennis, to give Military Construction some of his budget authority. And frankly, I do not think that would be a very easy task.

In fact, I think it might be an impossible task. So I am going to need your help and that of other senior DOD officials. What testimony can you give the subcommittee today that can provide us with the evidence that I think I am going to need to persuade the distinguished subcommittee to give up some of its budget resolution allocations so that we can appropriate more on the Military Construction Subcommittee?

Make the case here for 18 percent real growth in military construction funds.

Mr. TAFT. Well, Senator, let me say several things. I think first, any budget resolution that provided for no real growth in the defense budget would be a most serious mistake.

We have had in the budget, as you know, real growth reductions in the last 2 years totaling almost 7 percent. Not to begin to redress those reductions and restore them this year and next year—and the request we have before you would not even bring us back to the level of the fiscal year 1985 budget—seems to me totally unwarranted.

I hope the budget resolution will provide you with the full level of the request, and that you will not face this.

Senator SASSER. Suppose our hopes are dashed, Mr. Secretary?

Mr. TAFT. Well, they sometimes are. And if the increase in the military construction budget is, as you say, about 18 percent, I think one of the ways in which you might argue with the other members of the committee is that the military construction budget in the past years has taken more of its share of the reductions that have been imposed on the budget from our request.

Last year I think we had a 10-percent reduction overall; the military construction reduction was much larger than that, more in the order of 20.

I think it goes back to the point that Senator Garn was making. It is an area where it is easy to be penny wise and pound foolish, let our buildings deteriorate and not replace them. And of course you always think: Oh well, let us go 1 more year, let us go 1 more year, and things are deferred for one reason or another.

The result is that over the years—in the last 2 years in particular, your subcommittee, if I may say so, has anted up more than its share. I would make that point to the other Senators.

The principal areas, reasons for the increase that we have, although it is easy to talk about an 18 percent, but you have to bear in mind that you have to make this point, too, that the Military Construction budget is only about 3 percent of the overall DOD budget. So even 18 percent compared with the rest of the budget, you're not asking for a lot.

Eighteen percent on your budget is not like 18 percent on the rest of the budget. It is a small portion. The reasons for the biggest areas of increase in the budget are NATO infrastructure, a 64-percent increase, in the SDI area, and in the Navy for the home porting initiative that was approved last year.

I think these are all high priority, and I would hope that you would make the case on those specific items about which we had a lot of debate last year. But I think they speak for themselves.

Senator SASSER. Well, Mr. Taft, I happen to believe that there are special military construction needs, which, I can and will legitimately argue, set these accounts off from the rest of the defense budget.

But I sometimes get the impression that the Department of Defense requests large increases, relatively speaking, from the military construction budget and then fails to adequately support it when we get down to the crunch. In fact, last year in the committee report we provided language saying essentially, do not request large increases unless you mean it, unless you are willing to back it up at the senior levels in the Pentagon.

So Mr. Taft, I would appreciate any support that you and your colleagues could give us in that regard.

Mr. Chairman, I will have at least one additional question which I would like to submit for the record.

Chairman STENNIS. All right, sir. Without objection, your question will be placed in the record at the conclusion of the hearing.

2-YEAR LEAD TIME BUDGET

Senator Stevens.

Senator STEVENS. Thank you very much, Mr. Chairman. I am sorry I was not here at the beginning.

Chairman STENNIS. Well, at least you got here.

Senator STEVENS. Well, I was in a meeting trying to defend the same budget. Let us put it that way.

I want to join the chairman, Mr. Secretary, in commending the Department for submitting a 2-year request. I think it does give us a good approach, and perhaps one of these days we will get down to dealing with this budget on enough lead time to start effecting some of the savings that could be brought into the budget if we had a longer lead time.

Can you tell us how you arrived at the 3 percent this year? My staff, I asked them to look it up. They tell me that the impact of the congressional actions in the last 2 years was to reduce your defense appropriation bill requests first by $35.3 billion in 1986 and $29.9 billion in 1987.

And now, based on the past, we have averaged about a 6-percent increase. This seems to be—that is, 6 percent of GNP.

It appears to be about the same thing. Is this a stable budget in terms of the past or do you view this as a reduction?

Mr. TAFT. It is a lower budget than we had planned just 12 months ago, Senator, and much lower than some of the charts I had planned for the budget 3 years ago. It is, however, a stable budget that, as I mentioned, runs out at about 6 percent of GNP.

It would provide 3 percent real growth in the defense budget through the 2 years for which we have a specific bill before you. And also, we plan, consistent with that, to have budgets—and I hope Senator Weicker will be faced with them—out through the 5-year period. And we would undertake to do that if you give us these levels this year.

That is consistent with the growth that is anticipated in the economy as a whole, so there would not be an additional burden imposed on the American people for their defense beyond what it is today, essentially. In fact, it will decline a little. I think it goes from 6.1 percent to 6.0 percent of GNP and rides in around that level for the period.

We think it is a bare bones budget, as I mentioned earlier. A number of the Members of Congress have regularly asked us, as we have come up in previous years, where would you cut the budget? We are going to have to cut this budget, will you not help us and tell us where to do it?

Well, this year we have done exactly that. The budget that we have submitted is the reduced budget that the Congress has been requesting. It is in line with the budget resolution and, as you say, just 3 percent real growth, consistent with the economy.

We think it is affordable. I wish it were more. There are a lot of things that I eliminated, some of which have been mentioned this morning, from the budget that I think would be useful, could contribute to a stronger defense and avert some risks.

But I think it's a reasonable request, and I hope we will have the support of the Congress for it.

MILITARY SITUATION IN KOREA

Senator STEVENS. Let me ask you, just before the end of the year I took a trip out to Korea to look at the status of forces out there. And I was very impressed with their readiness. But while I was there, former Presidential adviser Brzezinski spoke in Seoul and indicated to the South Koreans that they should plan for several intrusions into the South Korean area by the North in the very near future. I think I am properly summarizing what he said.

Does this budget propose any reduction in forces in Korea?

Mr. TAFT. It does not.

Senator STEVENS. Does it provide any additional commitment of forces to defend Korea?

Mr. TAFT. The principal additions of forces would be the increases in the Navy, which are still arriving, of course, some of which will go to CINCPAC, which would be useful in that theater.

And we also have a proposal for strengthening the 25th Infantry Division and the 6th Light Infantry Division in Alaska that you are familiar with, and those could be expected to make a contribution in that theater. But those are not new from last year. They were planned and are continuing today, to increase the capability of the forces available in the Pacific theater.

Senator STEVENS. I might say to the chairman, I found the briefing we got there on the threat of the North and the transitioning of the North Korean Government from a satellite of China to becoming a satellite of the Soviet Union most alarming, and I think we ought to pay a little bit more attention to what is going on over there in terms of our readiness capability.

Not that I am criticizing those that are there and their readiness now, but I am not sure we are totally aware here of the total threat that is involved.

The other thing is, Mr. Chairman, last week for the first time in 19 years I took a week off and attended the "Brimfrost" exercises that the Department of Defense conducted on and off Alaskan territory. And I commend you for that. It is a very real exercise you are conducting up there now.

DEPLOYMENT OF SOVIET FORCES

But I also wonder, in terms of your presentation, if you should not be putting out more—or putting more emphasis on the change in the Soviet deployment of their forces. When I came to the Senate there was one Soviet division in Siberia. Now there are 53.

When I came here, we rarely saw the Soviet Navy in the North Pacific. Now their navy is larger in the North Pacific than ours is worldwide. Not as good, but it is still larger.

And the emphasis of the Soviet Union on the area east of the Urals is so obvious to those of us who live in that area that we are not quite sure that the Department of Defense is paying much attention. I know that you are bringing more fleets up there on maneuvers and what-not, but it does seem to me that—and I am not asking for 53 divisions. I hope no one misunderstands that.

I am just saying I think that there ought to be a greater emphasis on the fact that the Soviets have two firm, full fronts now, and their emphasis in all of their strategy demonstrates that as far as I can see.

Do you have any comment on that?

Mr. TAFT. Senator, I share your concern, and particularly the point that you make about the Soviet Fleet in the Pacific is very important and a relatively recent development. They have been modernizing that fleet. They have been expanding its numbers, its capability. The Cam Ranh Bay facility in Vietnam, of course, gives them added reach, and they have been patrolling up and down and using that area.

They are much more visible in the Western Pacific than they have ever been before, and it is not a development that is welcomed at all by us. And we need to be ready for it and be sure that we are able to carry out our commitments in the area in conjunction with our allies, with Japan, with Korea.

And it is going to be harder in the face of a stronger Soviet force, and particularly that naval force.

PACIFIC FORCES BRIEFING

Senator STEVENS. Maybe some time this year, Mr. Chairman, we could have a briefing on the Pacific forces. I note that their recent acquisitions in their submarine fleet are going to the North Pacific, and that their emphasis is in the Pacific.

And I am just not certain that other Members of Congress pay much attention to it. Of course, it is not in their back yard either. That is a little different, I know.

Let me ask you about your budget strategy. It appears there may be a mismatch in the budget in terms of outlays and budget authority. This year the predominant growth is in military personnel, operation and maintenance, R&D—outlay intensive accounts.

We are still getting into the situation, it seems to me, where as we catch up with the expenditure of prior year budget authority. With the growth in those accounts that are annualized to the greatest extent, we may have a total mismatch in budget authority and budget outlays, a repitition of last year's problems as far as the budget process is concerned, if we are not very, very careful. It's inevitable that deficit reduction efforts will focus on these outlay intensive accounts.

Have you analyzed this? Can you give us a projection? Is there going to be a real budget crunch in outlays in the future, as I expect, if these annual accounts continue to increase?

This is where your real growth is. In addition, we have got the outlays associated with past years' budget authority in procurement and other portions of the budget hitting us in this period ahead.

Mr. TAFT. The effect you mention is certainly a natural phenomenon, Senator, and we have taken it into account in our projections. That is why, as has been pointed out a number of times, our outlays are increasing in fiscal year 1988, for example, over what they were calculated to be in fiscal year 1987, even though our budget in fiscal years 1986–87 went down.

So that is because of those faster spending accounts and the shift in the direction of the budget.

We are quite confident—and frankly, this is something I would not have been able to tell you last year—with the outlay projections we have in our budget for the program we have proposed. That is $289 billion in fiscal year 1988 and $303 billion in fiscal year 1989. We had some problems in projecting the outlays last year. They were underestimated for the program that was submitted, and we have made the adjustments that were necessary to correct that. And the outlay figures that you see here I am confident will stand up.

We also have in hand for fiscal year 1987 a number of programs to control outlays, as you know, to conform to the direction of the committee. And I checked before coming to see this committee, because I know it was especially interested in the subject, to see how we are doing. And we are on target for the fiscal year 1987 program and the fiscal year 1987 outlays exactly as we committed to you and as you directed us.

REDUCTION OF DEFENSE BUDGET BY CONGRESS

Senator STEVENS. Mr. Chairman, I think we just ought to point out to our colleagues, it looks like Congress is going to reduce the budget authorization for defense. But if that is not done properly, it is going to result in this total mismatch because of the increase that is almost beyond control in the operation and maintenance, military personnel, and R&D accounts, plus, in view of the outstanding budget authority in the other areas unless it is rescinded.

Mr. TAFT. I guess we could look at it this way, Senator, that if the Congress were to reduce the budget authority, but shifted the priorities in that away from procurement and into faster spending accounts, they will get nothing in outlays.

Senator STEVENS. That is what I am saying, yes. That is the mismatch.

Thank you, Mr. Chairman.

Chairman STENNIS. Something further?

Mr. TAFT. No.

Chairman STENNIS. Let me compliment the Senator here from Alaska for a minute. I agree with a lot he said, but not where he said he took a week off. No one's ever heard of you taking a week off. That just doubles up the amount of work you did.

Senator STEVENS. I will tell you, Mr. Chairman, it was very interesting. For the first time, we had the Alaska scouts in with the Brimfrost exercise; we had the Coast Guard in; there was a full assault on Adak from the Marines, with Navy assistance, an amphibious landing.

That is real training. That is where the Soviets live, Mr. Chairman, in our part of the world in terms of geography. And I think that is the first time we have had realistic midwinter landings, midwinter tank maneuvers, and midwinter parachute, not just drops but parachute engagements and simulated attacks, in my memory.

Chairman STENNIS. That is what you did, and I approve it and like it.

Mr. TAFT. He actually went to Alaska to get out of the snow.

Senator STEVENS. You sound like my wife now. [Laughter.]

Chairman STENNIS. Senator Johnston.

Senator JOHNSTON. Thank you, Mr. Chairman.

LHX HELICOPTER

Secretary Taft, one of the big decisions we are going to have to make is on the LHX helicopter. I understand if we go in that direction it would be about a $40 billion program. We are going to have a briefing on Army aviation later on, a hearing on that, and I think it would be very useful if we could have a budget comparison on LHX as opposed to a non-LHX Army aviation.

I mean, how many AH–64's, how many AHIP 500's, et cetera, Blackhawks. And then of course, we can get into the capabilities. But when we try to decide whether we spend the $40 billion, we ought to decide $40 billion as opposed to how much, and then we can compare capabilities and then determine whether it is worth it.

And I would very much appreciate it if you could have that done, because otherwise the committee would have to rely on, you know, its extraneous resources to try to figure out those costs, and that would not be nearly as good.

Mr. TAFT. Senator, we will make sure that that is done, because I think you are exactly right. This is one of the areas that caused us the most trouble, and we took a lot of time looking at it over the course of the last year. We have, as I described to Senator DeConcini, more work to do, and we will share that with the committee.

It is a very important decision. It is a lot of dollars and I think we have made it right. I think we are betting, putting our money in the right place. But it is not a decision that we reached without long consideration. And I certainly welcome the committee's doing the same.

Senator JOHNSTON. The decision is not final yet to go with LHX, is it?

Mr. TAFT. We have a review under way and we have put the money in to fund it at an accelerated pace. We are hopeful that it will be successful. If, as a result of our review that is under way, it does not look to be coming along as well as we hope, then an adjustment in the budget would be appropriate.

MIDGETMAN MISSILE SYSTEM

Senator JOHNSTON. Next, Mr. Secretary, I think another big decision we need to make is on Midgetman. Frankly, I have been less than enthusiastic about the MX because of the deployment mode. It seems to me just silly to be putting that in the old silos, the Minuteman silos. But this rail deployment, mobile rail deployment, I have not had the briefing on that and am requesting that and I look forward to getting that, seems to have real promise.

MX MISSILE RAIL DEPLOYMENT

What is your view of the MX rail deployment, particularly with reference to whether then the Midgetman would be necessary?

Mr. TAFT. We wish we had thought of it sooner is the simplest thing I can say about the rail garrison mode. It is attractive from the point of view of cost, survivability, and I think responds well to the concerns that the Congress has had with the MX program over the years, and those have been many.

Senator JOHNSTON. If it is survivable, does that not render sort of moot the question of the Midgetman?

Mr. TAFT. Well, there is a role for the Midgetman that is different. It poses a different problem for the Soviets from the MX, and I think that you ought to look at that, also, to be quite sure that you have got all the facts, and we will provide them. It is a much more expensive solution to that problem; but being a different solution, in combination it adds a different set of problems to the Soviet planner.

Senator JOHNSTON. I understand that, but at great expense.

Mr. TAFT. It is very expensive.

Senator JOHNSTON. Have you settled in your own mind whether we ought to go with Midgetman in addition to the MX?

Mr. TAFT. We have supported the Midgetman. It was, I would say, a close question and the principal reason was the expense of it which was higher than we had anticipated, and I think than supporters in the Congress had anticipated when we costed it out.

Senator JOHNSTON. Mr. Secretary, the New York Times yesterday ran an article on its front page entitled "Huge Illegal Deal on Arms for Iran Was Known to U.S." Briefly, the article states that private arms dealers were trying illegally to ship 39 American fighters and large amounts of other weapons to Iran. Pentagon officials knew of these efforts and did not want to stop it because they wanted to get intelligence information from Iran. This effort was known as Project Demagond.

Was the Pentagon willing to look the other way as private arms dealers tried to sell American fighters and other arms to Iran?

Mr. TAFT. Senator, I do not have very much information on that article. I have asked, and the Secretary has asked that we make inquiries within the Department as to what might be the basis for it, if anything. I just do not have any information on it.

Senator JOHNSTON. You cannot confirm whether arms were actually delivered to Iran?

Mr. TAFT. I know arms were delivered to Iran, but I do not know that they were pursuing—on this part of this project. There have been a lot of arms delivered to Iran.

Senator JOHNSTON. Well, they said that it included 12,000 antitank missiles, as well as $150 million in military spare parts, and 200 Phoenix missiles.

Mr. TAFT. These are from foreign sources. As I recall the story, it was—and a great many arms have been delivered to Iran from foreign sources. Whether they were American arms, I could not tell you. We are looking into it.

Senator JOHNSTON. Phoenix missiles would certainly be.

Mr. TAFT. Sorry?

Senator JOHNSTON. I say, the Phoenix missiles certainly would be American arms.

Mr. TAFT. Yes; and that was what was particularly important about the article. I mean, everybody knows they have been getting a lot of arms from other places. They are fighting a war.

Senator JOHNSTON. You could not confirm that Phoenix missiles?

Mr. TAFT. No; I cannot, but we are examining it.

Senator JOHNSTON. Are any such unauthorized American arms sales occurring today directly or indirectly to Iran?

Mr. TAFT. Today, we have no arms that are ours that we have control over that are authorized to go to Iran.

Senator JOHNSTON. So there are no——

Mr. TAFT. Either third-party arms that we have exported to them, and there is always an attachment to that that gives us authority of an end-user, and there is no authority to anybody who has American arms to forward them to Iran.

Senator JOHNSTON. And no such sales are now occurring?

Mr. TAFT. No such sales are now occurring.

Senator JOHNSTON. The article says, "The Pentagon suggested that the Iranians may have learned about Project Demovan by tapping a phone call into the Pentagon." Do you know anything about that?

Mr. TAFT. I am not aware of that, no.

Senator JOHNSTON. That is all I have. Thank you very much, Mr. Chairman.

Chairman STENNIS. Thank you, Senator.

Members of the committee, I have certain additional questions here that I ask consent be inserted in the record for answering at the convenience of the Secretary.

Mr. TAFT. We will be glad to answer all of them, Mr. Chairman.

CONCLUDING REMARKS

Chairman STENNIS. I understand there is a vote coming up—no, the vote has been rescheduled for 2 o'clock.

Well, Mr. Secretary, I want to especially thank you. I think this has been a very valuable hearing, and your testimony was very good and complete. I think you will hear from us more and this will give rise to additional questions on the same subject, and other committees will be interested in it, and that way you made a contribution beyond being here for this particular group. We are most grateful indeed, and we will be calling on you some more, I hope.

Mr. TAFT. Well, Mr Chairman, it has been a pleasure for me to appear before you, and I will be glad to come back if you have additional questions.

SUBMITTED QUESTIONS

Chairman STENNIS. We will have additional questions for the record. they will be inserted at this point.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY CHAIRMAN STENNIS

DEFENSE FINANCIAL AND INVESTMENT REVIEW

Question. Mr. Secretary, I believe we should spend what is needed for Defense. However, fiscal constraints may mean we cannot afford to provide three percent real growth, as you have proposed. Do you think it would be better for national defense, if we must lower defense spending, to stretch out current investment, cut readiness, or to reduce force structure? How should we approach this problem?

Answer. As I stated in my opening remarks, we have already taken the kinds of actions that are proposed here. In order to achieve the low funding levels proposed for the Department, we have already stretched out and, in some cases, cancelled production programs. Increases to force structure have been constrained. We have made every effort to preserve readiness, but there, too, we have had to make sacrifices. We can and we must provide three percent growth in the DoD budget if we are to provide even the minimum level of defense requirements.

Question. I have always believed that we should make a strong effort to get the most we can from each dollar we put in the Defense budget. What measures have you taken in this budget to improve our performance in this area?

Answer. The FY 1988/FY 1989 defense budget requests congressional approval for multiyear procurement of 9 programs for a projected savings of $1 billion. Multiyear procurements have proven to be beneficial in several ways. They provide the Department with significant savings. The 46 programs approved by the Congress so far have resulted in savings of $7.7 billion. They provide program stability and production efficiencies.

Through baselining, the Department seeks to provide additional flexibility to the program managers to execute their programs within the scope of approved baseline agreements for specifications, cost, schedule, and other critical factors. Baselining contributes to program stability, which, in turn, generates economies and potential savings.

Competition is another area where we have had substantial success in making our resources go further. The Department-wide rate of competition for procurement dollars in FY 1986 was $78.7 billion, or 57.2 percent of the total, with another $29.7 billion, or 21.6 percent, of contract dollars being follow-on actions to initially competed contracts.

The Department has focused on procurement reform, improving financial management, increasing productivity, expanding contract audits, and eliminating waste, fraud, and abuse. Although all these efforts were initiated early in this Administration when the Department enjoyed bipartisan support for its military buildup and an infusion of necessary funding, these efforts are even more critical today as defense resources have become constrained. Management improvement and reform remains a priority.

GROWTH IN STRATEGIC FUNDING

Question. In the 1988 budget, strategic program funding, including R&D, increases by fourteen percent over the 1987 level, while non-strategic funding increases by less than three percent.

In testimony before the Senate Armed Services Committee this January, the Chairman of the Joint Chiefs, Admiral Crowe, stated that the Pentagon is becoming increasingly convinced that a conventional war with the Soviets is far more likely than a nuclear exchange. In light of this assessment, do you think that we have the correct balance between funding for strategic programs and funding for non-strategic programs?

Answer. Yes. I do think that we have the correct balance of funding between strategic and non-strategic programs. If a nuclear exchange with the Soviet Union is becoming increasingly unlikely, and I think that it is, it is largely due to the ongoing modernization of our strategic nuclear forces. The primary mission of those forces is to deter nuclear attack on the U.S. or its Allies; modernization has made our deterrent more credible.

From a historical perspective, strategic funding, which makes up about 12-13% of the defense budget in 1987 and 1988, and averaged about 12% between 1983 and 1986, is very reasonable. Following large expenditures on strategic systems in the early 1960s, the strategic share held relatively constant at 10-12% through 1978; from 1979 to 1982 the level dropped to 8-10%. During these periods, little was done to upgrade the forces we had built during the 1960s, and our strategic offensive forces steadily lost ground as the Soviet Union continued to invest and build. Strategic air defenses were largely dismantled, and plans for ballistic missile defense were scrapped. We are now making up for past neglect, and doing so by only modestly increasing the fraction of the budget allocated to strategic programs.

REDUCTION IN SHIPBUILDING

Question. The Defense Department has established force structure goals which it has been working toward for the past six years. These include: 600 ships and 15 carrier battle groups for the Navy; 28 divisions, 18 active and 10 Guard and Reserve, for the Army; 40 Tactical Air Wings for the Air Force. Mr. Secretary, in FY 1986 we appropriated funds to buy 24 ships, in 1987 we bought 21. This year you are only requesting funds for 20 ships. Are we still on track to meet the 600-ship Navy while cutting the number of ships to be bought?

Answer. In the FY 1988/FY 1989 Budget, we are requesting funds for 16 new ships and four conversions/service life extensions in FY 1988, with 19 new ships and four additional conversions in FY 1989. Given the momentum of prior-year appropriations, the Navy is still on track to meet the goal of 600 deployable battle force ships by the end of FY 1989. Under current estimates, the deployable battle forces will grow to 605 ships by the end of FY 1989. The fifteenth deployable aircraft carrier will join the fleet shortly thereafter, in FY 1990, when USS Abraham Lincoln (CVN-72) is delivered to the Navy. At that time, the fleet will also include four reactivated battleships and about 100 attack submarines. Although the Navy is expected to reach its goal of 600 deployable battle force ships by the end of the decade, tighter fiscal constraints will delay achievement of some of the Navy's other force structure goals until the 1990s or beyond. The force of antiair warfare cruisers and destroyers needed to support the carriers and other naval groups will fall short of the goal of 100 ships by about 20 percent through the next decade, because large numbers of existing ships are scheduled to retire during this period. In addition, the Navy will not reach its goals for support auxiliaries and mine ships until the mid-1990s. The amphibious lift objective will be delayed until at least the late 1990s.

Question. How will we be able to sustain a 600-ship Navy, if you keep decreasing the number of ships to be procured?

Answer. Current projections show that the number of deployable battle force ships will be sustained at or above the 600-ship level through the mid-1990s and beyond. This will be accomplished in part through selective life extensions of existing ships. For example, our conventionally powered aircraft carriers are being given an extra 15 years of service life through a major renovation program. Amphibious ships have been extended from 30 to 35 years. And many support auxiliaries are maintained in service for 40 years or more. If an average ship life of 30 years is assumed, the Navy needs to maintain an average annual ship construction rate of about 20 ships over the long run in order to replace older ships and sustain the force level. The FY 1988-92 five-year shipbuilding plan projects a total of 102 new ships, which is consistent with the average annual rate of 20 ships.

Question. Does the decrease in number of ships indicate the Defense Department is backing away from the goal of a 600-ship Navy?

Answer. No. The Defense Department remains committed to the 600-ship Navy goal and expects to achieve this objective by the end of FY 1989. Within this framework, however, certain individual force structure objectives may be delayed as a result of fiscal constraints. For example, the amphibious lift goal will not be met until the late 1990s or later. Likewise, reductions in procurement of new mine warfare ships will delay achievement of the Navy's force structure goals in this area.

Question. The FY 1988 budget has decreased the Air Force near-term goal to 37 tactical fighter wings, while appearing to maintain the Army and Navy goals. Secretary Taft, in recent years, the Defense Department has supported increasing Air Force tactical fighter forces to 40 wings. This year, the goal has been decreased to 37 wings. Why was this change made?

Answer. Over the past few years, we have been attempting to build toward a force of 40 tactical fighter/attack wing-equivalents. This was a realistic mid-term objective when viewed in the context of previous estimates of the size of

Defense budgets in the late 1980s and early 1990s. As our expectations for future Defense spending have been lowered, however, some programs have necessarily been cutback or delayed. In light of current budget projections, we no longer believe the 40-wing goal can be achieved in the mid-term. Instead, we will maintain a force of about 37 wings, while we strive to lower the average aircraft age through modernization. We will resume our pursuit of the 40-wing goal in the future, budgets permitting.

Question. Considering the pressures on the defense budget to increase much less than previously anticipated, why is the Air Force the only Service to scale back its force structure goals?

Answer. The Air Force has not reduced its long-run force structure goal. Because of budget constraints, however, it has postponed the achievement of that goal beyond the mid-1990s. The Air Force is not the only Service that has been forced to slow its previously-planned schedules for achieving modernization or force structure objectives. The Navy, for example, has delayed its buildup toward the force structure objectives for amphibious ships and support auxiliaries. The Army has reduced its permanent objective for Apache attack helicopters from 675 to 593. This cut will likely result in fewer helicopters per aviation battalion, which represents a defacto cut in force structure, even though the number of actual units will not be affected.

Question. Are you evaluating other force structure goal changes, such as shrinking the 600-ship Navy or cutting the number of active Army divisions?

Answer. No.

Question. According to the DoD Annual Report (page 336) Air Force total attack/fighter force structure is reduced in 1988 from 1987 levels. Primary aircraft assigned decline from 2,712 to 2,656, and the number of squadrons declines from 125 to 122.

What is the reason for this 1988 reduction in tactical air force structure?

Answer. The Defense Department FY1988 program provides 122 squadrons and 2,656 Primary Aircraft Authorization (PAA) Combat fighter/attack aircraft, down from 124 squadrons and 2,724 aircraft projected in the FY1987 President's Budget. The change for end-FY1988 force structure reflects elimination of our oldest and least capable aircraft types (78 PAA Combat F-4s, most being the earliest F-4Cs and F-4Ds) and small additions in newer types (18 additional F-15s and F-16s than previously projected). The F-111 force structure also has been reduced by eight PAA Combat below last year's projection, reflecting increased backup aircraft inventory size as the F-111 Avionics Modernization Program (AMP) gets underway. The overall reduction of 68 PAA Combat aircraft from the tactical fighter/attack inventory reflects reductions in anticipated budgets, rather than a reduced need for these forces.

QUESTION: The improvement in the quality of our military manpower has been a real success story during the past few years. Ninety percent of Army recruits are now high school graduates versus only fifty-four percent during the late 1970s. With the available pool of recruit manpower shrinking, how do you foresee maintaining this high-quality force? Can the volunteer force be maintained at an affordable cost?

ANSWER: Manpower analysts outside the Federal Government have claimed that Defense will need as many as one of every two qualified and available 18 year olds in the 1990s. These estimates are based on the assumption that we will recruit only from this one age group. In reality, this age cohort only accounts for 35 percent of the active and 25 percent of the reserve male accessions each year. The following table contrasts the proportion of the qualified and available male youth population of 18 to 24 year olds which we will need to recruit to meet projected male non-prior service requirements of the active and reserve components in 1996, the youth population's low point, with 1974, a good recruiting year; 1979, the worst recruiting year in the history of the volunteer force; and 1986, the most recent year.

Fiscal Year	% of Qualified and Available 18 to 24 Year Old Males Needed
1974	5.4
1979	3.6
1986	4.0
1996	5.1

This table shows that although the youth population is declining, the Services will only require a small percentage of the young men. Moreover, in 1996, the Services will need to recruit a smaller percentage than was needed in 1974.

The decline in the youth cohort will certainly make recruiting somewhat more difficult than it has been over the last few years and will drive the accession quality down from the record levels obtained in recent years. However, if we continue to provide competitive pay to military members and have adequate recruiting resources, we believe that the Services can satisfy their manpower requirements with recruits of acceptable quality. In real terms, we do not expect that these costs will be significantly above the recruiting costs of today.

CONGRESSIONALLY MANDATED OFFICER STRENGTH REDUCTIONS

Question. The 1987 Defense Authorization Act requires officer reductions of one percent in 1987, two percent in 1988 and three percent in 1989. Why haven't these reductions been incorporated into the 1988/1989 budget? What is the budget impact of implementation? Has the Department decided how to allocate these reductions between military services?

Answer. A satisfactory allocation of the officer reduction among the Services was not determined at the time the budget was submitted. Therefore, SECDEF decided not to reflect a decrement in officer end strength in the budget. Since then, an allocation decision has been made, and we are actively pursuing an officer requirements study, the results of which will be very instrumental in shaping our decision on FY 88 and 89 officer reductions.

In FY 87, although officer end strengths were not reduced in the budget, officer costs were significantly reduced in order to absorb the congressional reductions of $77.2 million. Little or no additional savings are expected in FY 87 since most end strength reductions are expected to occur late in the year. Also, since the total authorized end strength was not reduced, the Services will replace, to the extent practicable, the officers with additional enlisted personnel.

The Department has decided on an allocation among the Services only for the FY 87 reductions. Using the FY 87 programmed officer end strength as a base, the individual Service allocations are as follows: Army - 1,677; Navy - 1,576; Air Force - 1,698; and Marine Corps - 318.

INCREASE IN NAVY ACTIVE DUTY STRENGTH

QUESTION: In 1988, the Navy is receiving a larger share of the personnel pie--its end strength is proposed to increase by 6,200, while total active duty declines by about 2,000 personnel. What is the reason for this Navy strength increase?

ANSWER: Navy's FY-88 manpower request seeks a 6,200 (1.1 percent) manpower increase. Although Navy has need for more end strength than requested, this reflects the minimum essential level to support a growing fleet. The majority of the end strength growth will go towards manning and direct support of the growth in ships. Thirteen ships will be added to the Navy inventory in FY-88. Twenty-three more ships join the battle forces in FY-89.

REDUCTION IN AIR FORCE ACTIVE-DUTY STRENGTH

QUESTION: The budget request for Air Force active-duty personnel for fiscal year 1988 reduces end strength by 8,000 positions. How will the Air Force accommodate this reduction in personnel? What impact does the reduction in personnel have on planned force structure for the Air Force?

ANSWER: Manpower is a resource, directly linked to the number and deployment of weapon systems. As such, manpower changes are programmatically driven by changing missions and priorities within a fiscally constrained environment. In fiscal year (FY) 1988, fiscal constraints drove changes in force structure and other Air Force programs which required manpower reductions in tactical air forces, mobility and training areas, while increases were programmed in strategic offensive forces, ground launched cruise missiles (GLCM), and special operations forces. A large portion of the manpower decrease (3,500) will result from Air Force efforts to contract out maintenance functions. Major actions for the 8,150 net decrease in FY 1988 are as follows:

Force Structure and Modernization		-1,600
Strategic Offensive Aircraft	+1,900	
*Tactical Air Forces	-3,000	
GLCM (flight increases)	+1,000	
Mobility	-1,900	
Special Operations Forces	+1,000	
Other	-600	

Training/Pipeline	-3,200
Reduce accessions, reduce undergraduate pilot training (UPT) and undergraduate navigator training	
Economic Initiatives	-4,150
Primarily contract conversions (UPT aircraft maintenance and technical training maintenance)	
Readiness and Sustainability	+800
Medical, air base ground defense (security)	
Command/Control	+200
Other	-200
TOTAL	-8,150

*The bulk of the manpower reductions in the tactical air forces resulted from the Air Force reducing its tactical fighter wing equivalents (72 primary aircraft authorized) in the FY 1988/1989 President's Budget from 37.7 wings in FY 1987 to 36.9 wings in FY 1988.

SPECIAL OPERATIONS FORCES (SOF)

QUESTION. Last year, the Congress mandated a major restructuring of the Special Operations command organization. This legislation created a dedicated command sponsor for these units, which was intended to ensure that their needs are recognized at the highest levels of the budget and programming process. How have Special Operations Forces fared in the 1988/1989 budget?

ANSWER. Special Operations Forces have fared very well in the 1988/1989 budget with approximately $2.5 billion programmed for 1988 and $2.4 billion for 1989. This is particularly relevant when considering that the SOF budget for all Services in 1981 was $440 million. As previously mentioned, the new U.S. Special Operations Command (USSOC) will help the Department maintain the focus on this vital area of our national defense.

QUESTION. How is the united Special Operations Forces Command participating in establishing procurement and operations units in each of the service budgets?

ANSWER. As you are aware, USSOC has not yet been established. Therefore, it has not participated in any budget processes. When the Command is established, it will oversee SOF unique budget items through a new major force program category (Program 11).

Conventional Weapon Production Rates

Question. This year, the Defense Department has chosen to reduce production rates of many conventional procurement programs from the level planned a year ago.

The effect is to stretch out procurement of many systems and possibly increase overall costs.

For example, last year, the Defense Department requested increases in aircraft production rates for F/A-18 and F-16 aircraft. The Congress denied these increases, freezing the production rates. In the next two years, the Navy is planning to decrease production rates on F-14, AV-8B, F/A-18, EA-6, and the Air Force is requesting the same level of production on F-16 and F-15 aircraft. Are these changes made for affordability reasons?

Answer. Both Navy and Air Force procurement levels are down in terms of real growth from amounts appropriated last year, primarily to adequately fund military personnel, operations and readiness. Some reductions reflect specific program and requirements circumstances but most are due to lower DoD budget levels.

Question. What is the long-term effect of these decisions on modernization and force structure?

Answer. The Navy currently has thirteen active carrier air wings and two reserve air wings. A fourteenth active wing will complete activation during FY 1988. This year the Navy will introduce a new, notional, carrier air wing configuration with a mix of aircraft designed to exploit our advantages in air-to-air and air-to-ground combat capabilities. The Marine Corps has three active air wings and one reserve air wing. The revised Navy programs will somewhat delay the conversion from traditional to national air wings and introduction of AV-8Bs into Marine Corps air wings. The Air Force currently has the equivalent of 36.7 tactical fighter wings, 24.5 active and 12.2 reserve. Although the Air Force continues to plan to grow to 40 wings, fiscal constraints will cause the department to maintain its near-term force level at about 37 wings. These changes reflect what will occur across the board in our force levels.

Question. Considering that the budget is increasing by three percent in real terms, why must these stable production programs be decreased?

Answer. Large reductions in fiscal guidance necessitated careful prioritization of remaining funding to ensure that military readiness was preserved even at the cost of planned modernization of our forces. Funding for military personnel and operations and readiness was the highest priority in preparing the FY 1988-1989 budget. While undesirable, a reduction in procurement programs was required to satisfy priority requirements.

QUESTION: Mr. Secretary, the FY 1988 and 89 budgets begin advance funding for two aircraft carriers to replace retiring vessels. At the same time, the Navy is delaying purchase of an ammunition ship, nine air-cushioned landing craft and three ocean surveillance ships. Are you trading off these support vessels for the two carriers?

ANSWER: No. None of the changes to the FY 1988 SCN budget were caused by the accelerated CVN procurement. The ammunition ship was delayed pending a re-examination of the design which could require program restructure. The Landing Craft Air Cushion (LCAC) profile was restructured because of delays in award of the craft appropriated in FY 1985 and FY 1986. (The FY 1988 shipbuilding plan calls for ramp up to 12 craft per year in FY 1990 as compared to nine per year in the FY 1987 plan.) Advance procurement funding has been requested in FY 1988 for FY-89 craft. The program was restructured to minimize additional production line stretch-out while allowing for a smooth roll out of craft by both contractors involved with LCAC. In addition, the revised profile maintains the current FYDP quantity necessary to meet amphibious lift requirements while the outyear request of 12 craft per year allows for greater production efficiencies and increased competition. The advance procurement in FY-88 is essential to maintain craft delivery and preclude production line breaks at the subcontractor level. The three Small Waterplane Area Twin Hull (SWATH) TAGOS ocean surveillance ships were delayed to reduce the risks associated with the introduction of the SWATH design. Funding for the lead SWATH TAGOS was appropriated in FY-87. The normal practice in SCN with regard to the introduction of a new class of ships has been to have a gap year between lead and follow ships.

CVN-74/75 FUNDING

QUESTION: Prior to this year, the Defense Department was planning to wait until 1989 or 1990 to begin funding two more carriers. Why was the funding request accelerated?

ANSWER: The fiscal reality of a declining total obligational authority and the requirement to submit a two-year budget demanded careful scrutiny of the existing FYDP to ensure that the best investment plans were being pursued. In preparing the FY-88/89 budget, review of long range business/investment strategies revealed that the best return on the topline Navy dollar could be obtained by restructuring the SCN account to accommodate the required replacement carriers to sustain the 15 deployable carrier force through the further use of the innovative CVN acquisition program currently in effect.

That review process revealed that by providing long lead funding for two new NIMITZ Class CVNs in this budget request, we could save an estimated $3B over the amount required to achieve replacement carriers in the previously planned and programmed acquisition plan. This plan would have caused disruptive peaks and valleys in the shipyard force, as well as in the procurement of steel and components.

The CVN series production and modular construction process applied to THEODORE ROOSEVELT, ABRAHAM LINCOLN, and GEORGE WASHINGTON is demonstrating dramatic cost savings resulting from an efficient material acquisition profile and from ship building learning curves among the workforce. The early and below budget delivery of THEODORE ROOSEVELT in October 1986 confirmed the advantages to the taxpayer of this acquisition plan. Adhering to a delayed replacement profile will result in the serious degradation of the shipyard workforce and supporting construction skill base. Today 42 states share the total industrial package that supports the current carrier construction program. The acquisition strategy which shaped the decision to advance the CVN replacment program is a composite business strategy having two basic elements, two carriers being bought on a multi-ship basis, and their being bought "heel-to-toe" with the carriers already in production, and with each other. Our program takes advantage of the productivity savings inherent in stable "new carrier" construction workforce. The achieved savings result from this strategy and would not be possible with the procurement of CVN-74 and CVN-75 under the original schedule because the builder would have experienced a break in the production line. We are now in the same position we were for the FY-83 procurement of CVN-72/73 -- the builder has a new carrier under construction and the "heel-to-toe" production of the follow-on carriers offers significant savings. Any kind of a production line break in this required replacement program would be extremely costly and counterproductive to our American ship related industrial base.

QUESTION. Your shipbuilding budget has not even kept pace with inflation since 1984. How will you meet and sustain your goal of 600 ships without increasing the shipbuilding budget?

ANSWER. Real funding increases for ship force structure actually peaked in FY 1983. The shipbuilding requests appropriated in the early 1980s reflected sharp increases required to correct the neglect of the 1970s. Still,the FY-85 shipbuilding appropriation reflected approximately seven percent real growth over the FY-84 appropriation. Since then, funds requested and appropriated for shipbuilding have declined in real terms. Our current and future budgets reflect the sustaining rate for the 600-ship Navy, an average of about 20 new construction ships a year. With an average useful service life of 30 years (45 years for our carriers), 20 ships per year will sustain a permanent fleet of 600 ships with minimal growth in force structure spending.

QUESTION: The DoD Annual Report this year says the Navy will not meet its goals for cruisers and destroyers because of the large number of retiring surface vessels. What is being done to redress this problem?

ANSWER: Fiscal constraints have delayed attainment of some of our Naval force level objectives. The most severe shortfall is in modern AAW combatants. Our present plans include funding for the last of the 27 CG 47 Class cruisers in FY-90. Then we intend to increase production of DDG 51 Class destroyers to five in FY-91 and six in FY-92. In the meantime, we are improving the capabilities of our existing ships under the umbrella of our Warfighting Improvement Plan (WIP) which will upgrade selected CG/CGN/DDGs with the New Threat Upgrade AAW system.

NEED FOR WARM PRODUCTION BASES

Question: In a similar arena, the Army is canceling the Army Helicopter Improvement Program (AHIP) in FY 1988 and ending production of APACHE (AH-64) helicopters in FY 1989 and the M-1 tank in FY 1992. Follow-on programs are not planned until the mid-1990s. Are you concerned that there will not be a warm production base for helicopters and tanks during this period?

Answer: Yes, we are concerned about not having a warm production base however, that is not the case for the M-1 tank. The M-1 tank production does not end in FY 1992. One tank plant remains open until the follow-on Armored Family of Vehicles in calendar year 1995. The Army is completing its study of tank and other system procurement requirements which will detail its requirements for production and the production base beyond the year 2000. Due to fiscal constraints and affordability issues we tried to balance the forces, and we had to come down from 675 APACHES to 593 and terminate the AHIP. The APACHE is at the top of the list for fund restoral if we get the money.

FAMILY OF ARMORED VEHICLES

Question: The decision to eliminate tank production in FY 1992 means the U.S. will not have a single tank-production plant operating for several years. Do you think this meets our national security needs?

Answer: There is no Army decision to stop tank production in FY1992. With Congressional support, the Army plans to maintain the Abrams tank line until the Armored Family of Vehicles enters production.

WARM PRODUCTION BASES

QUESTION: Can you assure the Committee that curtailing current helicopter procurement and investing substantial funds in developing a new LHX helicopter is the best strategy we can follow, given budget constraints?

ANSWER: The LHX is an aircraft development effort which requires research and development funding. The Apache and Blackhawk are in production and require procurement funding. They should not be considered as competitors, because the LHX is not being designed nor is it intended to replace the Apache or Blackhawk. The 5,000 LHX's that the Army is proposing, seeks to replace 7,000 UH-1, AH-1, OH-6, and OH-58's. The LHX is designed to capitalize on advanced development systems and 1990's technologies. The Army will continue to improve the AH-1 fleet. If the Army had its' preference, and affordability was not an issue, it would continue to produce more Apaches and Blackhawks and would bring the LHX on much sooner.

LARGE INCREASES IN RESEARCH AND DEVELOPMENT BUDGET

Question. Mr. Secretary, the FY 1988 budget request includes large budget increases in many research efforts, such as the MX program, Small ICBM, SDI, Advanced Tactical Fighter Program, C-17, and light Helicopter. For example, R&D funding for these programs increased by $5.2 billion, or 93 percent, over 1987. Are you sacrificing near-term production rates to safeguard these research efforts?

Answer. No, we are not sacrificing near-term production rates to safeguard research efforts. I do believe that the FY 1988/FY 1989 R&D budget request represents a reasonable share of the total DoD budget and that the funding is essential to continue the process started by this administration to yield essential improvements to our national security. The R&D budget provides for continued technological advances to defeat the projected threat as well as exploiting technological developments for force modernization.

Question: What does decreasing the number of aircraft, combat vehicles and ships to be purchased mean in terms of meeting modernization goals?

Answer: The major procurement program reductions required in FY 1988 and FY 1989 have resulted in a commensurate slip in our modernization goals. Where possible, lesser cost alternatives have been selected to modernize our forces within available resources. The procurement of sixty new aircraft in FY 1988 was originally budgeted for the Air Defense Competition program, for example. Under the current acquisition strategy, modified F-16 aircraft will be used to fulfill that mission requirement. In most instances, however, procurement quantities have been reduced to remain with fiscal constraints in such programs as the F/A-18 aircraft, AV-8B aircraft, F-16 aircraft, Bradley Fighting Vehicle, and Field Artillery Ammunition Support Vehicle programs. Support ship procurements such as the TAGOS, AE, and LCAC programs have been deferred as well. Though fiscal constraints have caused slippage in our modernization timetable, the FY 1988/1989 budget represents a balanced approach to force modernization.

Aircraft Modifications Funding

Question. Funding for aircraft modifications are decreasing by more than $2 billion, or 71 percent, in FY 1988 from the previous year. What is the effect on readiness of this large reduction in aircraft modification funding?

Answer. The amount requested for aircraft modification programs in FY 1988 is $3,184.5 million, a decrease of 38 percent from the $5,120.3 million available for FY 1987. During preparation of the FY 1988-1989 budget, the Department took a hard look at modification schedules and the amount of unobligated balances carried forward from year-to-year and concluded that modification funds were being requested in advance of need. To remedy the situation, FY 1988 aircraft modification programs reflect a reduction in funded administrative lead time. Given the current pattern of program execution, adequate funds are requested to carryout programs which will be ready for contracting in FY 1988. Modification programs which would not have been placed on contract in FY 1988 are accommodated in the FY 1989 request for $3,927.3 million. A reduction in readiness should not occur because modifications will be procured on the same schedule as if totally funded in FY 1988.

Strategic Defense Initiative

Question: In 1987, Congress appropriated $3.2 billion for DoD SDI programs. In 1988, DoD is requesting $5.5 billion, an increase of nearly double what Congress provided in 1987.

In light of budgetary restraint reflected in the rest of the budget, why are the large increases in SDI funding necessary?

Answer: We have remained resolute in our decision to pursue a focused and decision-oriented program with well def-

ined objectives, despite Congressional refusal to fund fully the SDI budget at the requested levels. Continued funding below necessary levels would destroy the vital balance between development of a technology base and technology validation efforts essential to support a development and deployment decision. It would not allow us to keep pace with expected Soviet offensive and defensive developments. If SDI funding continues to be limited, the U.S. would not only waste its greatest leverage--the innovation possible in a free society--but it could not expect to do more than react to Soviet initiatives in strategic defense. If U.S. efforts to provide a thoroughly reliable defense are to be successfully carried out in a timely fashion, funding must be restored to levels that will allow the SDIO to pursue effectively options for strategic defense of the U.S. and its allies.

Question: How can we be sure the DoD can efficiently spend and manage such rapidly expanding SDI programs?

Answer: As the Department has explained in previous testimony, the proposed SDIO budget expansion is comparable with research programs such as APOLLO and MANHATTAN which were extremely successful. Additionally, the SDIO record on expenditures and obligations is better in most cases than the other services and defense agencies.

Question: Do these increases reflect a DoD decision to begin early deployment of portions of the SDI Program, or would an early deployment decision require even greater funding increases?

Answer: These increases do not represent any change in Program goals or objectives. A decision to deploy any system would require development and procurement funding. These funds would be in addition to the research funding.

Operating Tempo Indicators

Question: A major indicator of readiness-related activity is the level of flying hours, steaming hours, and training days. What levels of activity have you funded in the 1988 budget, and how do these compare with the 1987 levels and the military service long-range goals?

Answer: The table below reflects a comparison of several readiness indicator levels for FY 1987 and FY 1988:

	FY 1987	FY 1988
Flying Hours (000)	6,876	6,990
Army	1,786	1,851
Navy	2,144	2,178
Air Force	2,946	2,961
Steaming Hours (000)	1,242	1,299
Steaming Days/Qtr (Active Fleet)		
Deployed	50.5	50.5
Non-Deployed	29.0	29.0
Training:		
TAF Hrs/Pilot/Month (AF)	19.3	19.5
TAC Hrs/Crew/Month (Navy/MC)	23	25
TAC Hrs/Crew/Month (Army)	15.5	15.8
Primary Mission Readiness % (Navy)	87	87
Battalion Training Days (Army/Marine Corps)	50,768	50,604

Our goal, both short and long range, is to have the people in the forces fully prepared and qualified to do their mission. From that standpoint, we have developed syllabi that represent our best estimate of what it will take to reach that goal. To the extent that our projections are modified based on actual experience or mission changes, our goals will, of course, change. The training requirements drive the requirements for flying and steaming hours and non-deployed steaming days per quarter. The deployed steaming days per quarter are governed by national commitments. Air Force and Navy long range training requirements (1992 timeframe) are not significantly different than those included in the FY 1987/FY 1988 budgets. The Army plans to increase from the 15.5 to 20 flying hours per TAC combat crew per month which is their estimate of the optimal level for this training.

Army Operating Tempo Goals

Question: The Army appears to be the only service that has revised downward its operating tempo (OPTEMPO) goals, budgeting for 750 miles per year for armored combat vehicles and 16 hours per crew per month for helicopter flying hours, down from a goal of 850 miles and 18 hours respectively. What impact will this decision have on the future readiness of our land forces? To what extent will the Navy and the Air Force have to revise their OPTEMPO goals to fit within budget constraints?

Answer: To operate within appropriated funding levels in FY 1987, the Army has reduced the ground operating TEMPO from 850 miles to 750 miles. A reduction in the Army ground training OPTEMPO of this magnitude significantly cuts the quality of unit training and decreases Army combat readiness until the previous levels can be regained. For this reason the Department has requested $75.0 million in a supplemental appropriation in FY 1987 to initiate restoration of the Army OPTEMPO to 850 miles. Additionally, the budget request for FY 1988 and FY 1989 provides for an OPTEMPO of 850 miles.

In terms of Army flying hours, Army tactical flying hours per crew per month are 15.8 in FY 1988/FY 1989. This reflects an increase from 15.5 planned for FY 1987 and 15.3 achieved in FY 1986. This rate of increase in flight crew training occurs as prior year execution indicates previous growth rates were too optimistic. Additionally, competing program priorities have slowed the build-up.

As for the Navy and Air Force, the OPTEMPO goals are achieved in the budget years. However, approval of the $90 million for flying hours in the supplemental appropriation is required for the Navy and Air Force to achieve their OPTEMPO goals in FY 1987.

Depot Maintenance Backlogs

Question: The FY 1988 budget makes significant reductions in depot maintenance and increases backlogs. For example, the Navy has reduced ship maintenance and modernization by $1 billion, providing for six fewer overhauls in FY 1988, and the Air Force depot maintenance backlog increases by 17%. What effect will these reductions have on the long-term readiness of our forces? Is depot maintenance spending being sacrificed in order to maintain operating tempo levels?

Answer: Depot maintenance programs are not being sacrificed in order to finance higher operating tempo levels. In fact, depot maintenance levels are driven in part by the need to support desired levels of operating tempo.

Estimated decreases in depot maintenance funding levels occur for a number of reasons. One reason is improvements in the maintainability of the Department's equipment. As newer and more reliable weapons are introduced into our inventory, replacing older less reliable systems, depot maintenance requirements can be anticipated to decrease. Another reason for decreased funding levels for the depot maintenance program is reduced industrial fund rates. Over 50% of the Department's depot maintenance efforts are accomplished at various Department of Defense industrial fund activities. Due to recent efficiencies and other factors, these activities are lowering their rates by over $150 million in FY 1988. While both improved reliability and decreased prices contribute to a reduction in depot maintenance funding levels, they have no adverse impact on depot maintenance backlogs. Similarly, although funding levels for the Navy's ship maintenance and modernization efforts decrease in FY 1988, the Navy's backlog is also projected to decrease from $140 million in FY 1987 to under $30 million in FY 1988.

Larger backlogs for both the Army and the Air Force are projected to occur. These backlogs reflect the impact of tough program choices made in a fiscally constrained environment and are considered necessary to strike a reasonable balance among a number of different programs in the near-term. These backlogs, however, are not anticipated to have an adverse impact on the long-term readiness of our forces.

Question: Most depot maintenance activities are civilian personnel intensive. Why hasn't the Department's civilian personnel request decreased significantly commensurate with depot maintenance reductions?

Answer: Civilian personnel end strength levels at the Department's depot maintenance industrial fund activities are estimated to decrease by over 3,400 in FY 1988 and by an additional 3,000 in FY 1989. Workyears also decrease by 6,200 in FY 1988 and by an additional 5,000 in FY 1989. These decreases stem not only from changes in work load but also result from a number of productivity initiatives and other efficiencies.

Total civilian personnel end strengths, however, remain relatively stable at the Departmental level with a slight decrease in FY 1988 followed by a slight increase in FY 1989. Thus, at the Departmental level, decreased civilian personnel requirements at our depots are offset by increased manpower requirements in other areas.

Long-Term Operation and Maintenance Funding

Question: The Department is modernizing with more capable weapon systems--but systems that are more expensive to operate and maintain than the older systems they replace, for example, a Bradley Fighting Vehicle represents a significant improvement over an M-113, but is a more costly system. Can the department maintain long term readiness without significant increases in future O&M budgets?

Answer: Although some of the new weapon systems entering the inventory cost more to operate and maintain, some do not. Further, the increased unit operating cost of a new weapon system is sometimes offset when the new and more capable system replaces the old one on less than a one-for-one basis. For instance the Blackhawk (UH-60) replaces the Huey (UH-1) on a basis of 15 to 23.

In addition, there are many on-going initiatives to reduce costs and improve operations. For example, the Navy is increasing in-port time to improve sailors morale and increase retention. This action also reduces the cost of fleet operations. The initiative to raise the threshold for noncentrally managed equipment purchased in the O&M appropriation from $5,000 to $25,000 should enhance our base commanders ability to make more economical decisions to purchase rather than lease equipment necessary for base operations. Also, combining the CHAMPUS funding with Service medical resources should improve the cost effectiveness of providing medical care. Increased competition in areas such as ship maintenance should also result in savings.

Considering such improvements, the Department believes that with moderate real growth in the O&M budget there will be sufficient funds to operate and maintain the new and modernized systems.

Question: For fiscal year 1987, the Congress appropriated $5.8 billion for procurement of ammunition and expendable ordnance. For fiscal year 1988, the Department of Defense has requested only $4.1 billion, a reduction of 30 percent. Why is the funding level for munitions so much lower in the 1988 budget? How does this affect readiness?

Answer: The table below provides data on dollars budgeted for ammunition and expendable ordnance by fiscal year. The FY 1987 dollars reflect appropriated amounts offset by reductions associated with profit policy and inflation reductions as well as undistributed reductions. The FY 1987 supplemental request is excluded.

	($ in Millions)		
Appropriation	FY 1987	FY 1988	FY 1989
PAA	1,768.2	2,025.7	1,914.1
OPN	840.0	728.0	839.1
PMC	575.9	410.9	403.6
OPAF	1,048.9	648.9	842.5
Total	4,233.0	3,813.5	3,999.3

Based on this data, there is a reduction of about 10 percent between FY 1987 and FY 1988. The biggest single reduction occured in Air Force ammunition programs and reflects termination of Durandal, Gator, 30mm API, and the reductions to BIGEYE to reflect rephasing of the program. These changes are expected to have a relatively minor effect on readiness.

(D) Question: What percentage of recognized inventory requirement for munitions will the fiscal year 1988 program achieve compared to the program projected for 1988 in the fiscal year 1987 budget submission?

Answer: The table below compares accomplishment with current FY 1988 funding and funding for FY 1988 reflected in the FY 1987 budget based current requirements:

	FY 1987	FY 1988
Navy Cruise Missiles	(deleted)	(deleted)
Air to-Ground Missiles	"	"
Navy Torpedoes	"	"
Air-to-Air Missiles	"	"
Surface-to-Missiles	"	"
Army Artillery	"	"
Tank Rounds	"	"
ATGM*	"	"
Air Defense	"	"
USMC Artillery	"	"
Tank Rounds	"	"
ATGM	"	"
Air Defense	"	"
USAF	"	"

Note: These percentages cannot be averaged.

*Anti-tank guided munitions

Conventional Munition

Question: In the case of the Air Force, the budget request for munitions is less than half of what was projected last year for FY 1988, and this most seriously impacts bombs that would be used in ground-support missions for the Army. What is the basis for the sharp reduction for this type of conventional munition?

Answer: In FY 1987 the Air Force projected a munitions budget of $975.0 million for FY 1988. The FY 1988 Air Force munitions budget is now at $649.0 million. This is a reduction of $326.0 million or 34 percent less than projected. Of this projected reduction $192.0 million is for bombs. This reduction in the bombs area had a minimum affect on the area of concern, bombs used in ground-support missions for the Army. More than half of the bombs reduction, $100.5 million, is for the BIGEYE program which was adjusted to accommodate a delayed production start. The remainder of the reduction $92.0 million is scattered across many line items in particular, $22.0 million, is associated with a reduction in the acquisition of practice bombs, $32.0 million with the termination of the DURANDAL program, $13.0 million is due to a delay in the start of DAACM production which was caused by a development slip, while a slow down in the requirement for some munition items and savings on contracts accounts for the rest.

Spare Parts Procurement

Question. Recognizing the substantial increases in major system procurements over the past few years for all of the Services, the Department of Defense's requests for spare parts have remained flat or actually decreased. Of the funds provided for the purchase of spare parts, there exist substantial unobligated balances of funds not spent in a timely manner, including a one-half billion dollars from fiscal year 1985 for all the Services and over $1 billion for fiscal year 1986.

What percentage of the spare parts requirement for each of the Services has been procured through fiscal year 1987, and what impact will the requested fiscal year 1988 funding have on the total?

(D) Answer. In terms of peacetime spares, the Department funds readiness at 100 percent. However, in terms of war reserve spares, all Services have deficits in sustainability. In general, the Defense goal is [deleted] of combat support in each theatre through the FY 1988 funded delivery period (FDP). As a work of caution, percentages of the total requirement should ot be the sole basis for measuring the various DoD achievements. For example, most Services have more than one goal as indicated in the table below. Some of the goals, such as days of supply afloat, are more indicative of our ability to sustain in war than others such as days of support ashore. In addition, since the requirements are linear, it is difficult to ascertain what one additional day of supply achieves. Finally, it is important to recognize that during this Administration, the Department has steadily added capability by increasing the force structure and is steadfastly continuing its efforts toward achieving the sustainability goals. Therefore, the changes in the percentages may not reflect improvements in the amount of spares in the inventory.

(D)	FY 1987 Sustainability	FY 1988/89 President's Budget
Army		
Overall Support	(deleted)	(deleted)
Navy		
Ashore	(deleted)	(deleted)
Afloat	(deleted)	(deleted)
Air Force		
Tactical Sorties	(deleted)	(deleted)
Airlift Deliverable Tons	(deleted)	(deleted)
Marine Corps		
Stock Fund Spares	(deleted)	(deleted)
Procurement Spares	(deleted)	(deleted)
Defense Logistics Agency		
% of fuel requirement	(deleted)	(deleted)
Susbsistence	(deleted)	(deleted)

(D) The Army commodity experiencing the largest shortfall is clothing and textiles items. The Navy has achieved the [deleted] support level afloat [deleted] deployed ships will need spares immediately if a conflict were to occur. Ashore spare parts, while considerably lower, do improve over the years. The drop in tactical Air Force sorties occurs due to force modernization which requires the WRSK kits for tactical aircraft to be updated. While the Marine Corps stock fund days appear low, considering that the stock fund is small in terms of number of items managed and the items are low in dollar value with short lead times, the situation is not severe. In the repairable spares area, which predominantly includes items with long lead times, the Marine Corps achieves the [deleted] level. Days of fuel is not as significant as barrels of fuel by theatre. DLA is making steady progress and concurrently programing for the procurement of war reserve fuel and associated storage.

Question. When does the Department of Defense anticipate reaching the full readiness quota of spare parts and why is achieving this goal not a higher priority in the Department's budget?

Answer. Although wartime spares deficits do exist, the Administration is making steady progress toward meeting the goals. The Department is committed to buying spares and buying them smartly. However, it must be recognized that funding the entire deficit needed to achieve the goals will not end the funding requirement or would it be prudent. Modifications to existing weapons and inventory obsolescence creates a continuing war reserve funding requirement to bring items in the war reserve inventory up to the latest configuration.

Question. Does the Pentagon leadership monitor the obligation of spare parts funds, and do you have any plans to expedite the purchase of these items?

Answer. The Department continually monitors the obligation rates for spare parts. Considering that over $10 billion per year was appropriated for investment spares in both FY 1985 and FY 1986, the unobligated balances of $.5 billion in FY 1985 and $1 billion in FY 1986 reflect obligation rates of 95 percent and 90 percent respectively. These rates are quite acceptable for an appropriation with a three year life span. In addition, in view of the congressionally mandated Competition in Contracting Act (CICA), contract administrative lead time has increased and it is unlikely to decrease. In addition, the Department has implemented the spare parts improvement program. Through our tough stance on negotiating and competition, we have deobligated and decommitted many contracts, thereby saving substantial sums.

RESERVE COMPONENT EQUIPMENT MODERNIZATION

The Reserve Component units sometimes receive new equipment as delivered but, more frequently, receive older, used equipment from the active forces that has been overhauled in the depot maintenance program.

In your 1988 budget request, the number of new conventional weapons being purchased is lower than planned a year ago, and overall depot maintenance funding is reduced.

Question. How will these lower funding levels affect the equipping and modernization of the Reserve Components?

Answer. The Department is, of course, vitally concerned with the modernization of our National Guard and Reserve forces as they assume a larger and larger role in the defense of the country. The reduced procurement levels now forecasted for both the active and reserve components may mean less equipment will be available for reserve component modernization. This is a concern since the FY 1988 National Guard and Reserve Equipment Report indicates 72% of the equipment programmed for delivery over the next four years will come from re-distribution of active component assets. However, other factors which pull in the opposite direction must also be considered. For example, the Air Force has reduced the funded force structure from 40 to 37 tactical fighter wings over the program years. This has accelerated modernization of the Air National Guard and Air Force Reserve in spite of reduced funding levels. For the same reasons, a drop in overall depot maintenance funding should not, in itself, be viewed as an adverse trend. Some older reserve component aircraft previously scheduled for modifications will now be replaced instead of modified. Ultimately, reduced levels of funding can be expected to result in some delays in equipping and modernizing some units. The Department is exploring innovative approaches to mitigate, as much as possible, the adverse impacts of these reduced funding levels.

Question. Can we expect a slowing in the pace of modernizing and equipping Reserve Component units?

Answer. Compared to last year's President's Budget, projected FY 1988 procurement of equipment for the Services' active and reserve components is down by over $22 billion dollars. This is a reduction of approximately 21%. As a result of these reductions in both active and reserve components, programs will have to be extended and overall program costs can be expected to rise.

RESERVE AGR PROGRAM

Question: In 1988, Reserve personnel strength is budgeted to increase by approximately 33,000 personnel over the 1987 level. Of the increase, 4,746, or 14%, are full-time, active-duty active-duty Guard/Reservists (AGRs). What new missions are being fulfilled by the increase manpower?

Answer: The AGR personnel are reservists on active duty or full-time National Guard duty as authorized by the Secretary of the Military Department concerned. They are members of the Selected Reserve, participate in scheduled unit training assemblies, help in carrying out the support functions outlined above, and will mobilize with their assigned units. There are 68,984 AGR programmed for FY 1987 and 73,734 programmed for FY 1988, an increase of 4,750 or 6.9%. The breakout by component is as follows:

Component	FY1987	FY1988	Growth	%
ARNG	25,060	26,389	1,329	5.3
USAR	12,407	14,250	1,843	14.9
USNR	21,476	22,505	1,029	4.8
USMCR	1,745	2,015	270	15.5
ANG	7,631	7,906	275	3.6
USAFR	665	669	4	0.1
TOTALS	68,984	73,734	4,750	6.9

ARNG: The increasing training requirements and mission roles to be filled by the Army National Guard require support personnel to make it happen. At the present time some very difficult decisions are being made as to which requirements will receive the increased manning. The use of drilling reservists to provide day-to-day support is unrealistic. The use of experienced full-time personnel for administrative support, training, supervision, supply, and maintenance provides a framework designed to allow drilling reservists to maximize drill time towards their wartime mission. The majority of the requested FY 1988 increase is to man 102 new units (over FY 1988/89) which include Hawk air defense units, Communication/Electronic Warfare Integration units, and Apache helicopter units. Some of the increase is to staff units requiring active duty manpower due to equipment modernization including rocket launch systems and M60A-3 tanks.

USAR: Emphasis in the Army Reserve is being placed on improving readiness. A significant portion of the personnel increase for readiness support will be manning new USAR equipment storage centers and Regional Maintenance Training Sites. The Army Reserve is comprised of nearly 94% Combat Service Support units and full-time personnel experienced with reserve programs and are essential to providing the guidance and management to increase readiness. Over 75% of the AGR increase will be used to man increases in force structure. Approximately 300 of the FY 1988 authorization will be used to fill deficits remaining from FY 1987. The 60 FY 1988 new unit activations include Communication Electronic Warfare Integration units, Medical Hospital units, Special Operation Forces, Signal Units, and aviation units operating the Cobra and Apache helicopters.

USNR: The Training and Administration Reserve (TAR) program is expanding to support, manage and train significant growth in the Selected Reserve Program. A large portion of the proposed growth in the TAR program is earmarked for support billets that, while not associated with ships or squadrons, are in fact essential to the missions or training of ship and squadron crews. Over 50% of the increase will be personnel filling billets being converted from Regular to Reserve aboard Reserve ships. Examples of these vital billets include air controllers, weather service personnel, and aerographers that are assigned to Naval Air Stations. Nearly 23% of the increase will be support personnel at the 235 Naval Reserve Training Centers. Also included in the programmed growth are personnel to man Reserve recruiting sites, aircraft squadrons, corpsman for Marine Corps Reserve Inspector-Instructor staffs and amphibious support requirements.

USMCR: The majority of growth in FTS personnel is to support new Selected Reserve units including two Light-Armored Vehicle (LAV) companies, a target acquisition battery, an air refueling squadron, a helicopter squadron, and a Light Antiaircraft Missile (LAAM) battery. Other requirements exist in technical training, logistics, supply management, personnel administration and career planning. Fifty FTS instructors, for example, will be assigned to Marine Corps schools to assist in primary skill training of Marines in the formal structure.

ANG: The Air National Guard continues to receive new missions and modern equipment. Most of the full-time support increases are in direct unit support. The largest portion of the increase will be to man 4 squadrons transitioning from older generation aircraft to the F-15 or F-16 and for the KC-135 units increasing from eight to ten aircraft per squadron. The ANG is increasing its manning at its Replacement Training Units(RTUs) and the ANG Professional Military Education Center which are in direct support of the ANG and will be instrumental in ensuring a combat ready force. Other personnel will man billets to improve medical readiness, operate and maintain communications equipment, staff an Electronics Security Squadron, and to perform administrative and intelligence functions in some units.

USAFR: The approved increase for full-time support personnel is only 4 to field recruiters responsible for the Reserve recruiting mission.

Question: Do you expect problems in meeting this goal with quality personnel?

Answer: Problems are, generally, not anticipated in meeting the modest increase of 4,750 full-time support personnel in FY 1988 which is approximately one-half of the growth experienced in FY 1984 and FY 1985. The growth from FY 1984 to FY 1985 was 9,025 and from FY 1985 to FY 1986 the increase was 8,623. The Navy has had some diverse and unique challenges in filling all of their TAR billets in FY 86. Consequently, the Navy will be attempting to develop improved incentive programs to acquire and retain quality people in critical billets. However, since the increases in FY 1988 are approximately one-half of the FY 1986/87 increase all the reserve components are optimistic about achieving their manning goals.

1987 Rescission of Appropriated Funds

Question. Last year, because of the severe outlay restrictions placed on the Committee, over $5 billion in previously appropriated defense funds were rescinded, primarily from the procurement accounts. Previously, such available funds from contract savings or program terminations were transferred to other current requirements. What impact did the rescission of prior-year funds have on program execution in fiscal year 1987?

Answer. The rescissions were in the Procurement and RDT&E titles. In the Procurement title, rescissions were composed of inflation rate recomputations, favorable contract award savings, and denied reprograming action funding sources. The specific reductions to the affected programs did not have a direct adverse impact since these funds would have been reprogramed to satisfy high priority unfunded requirements. The loss of the rescinded funds forced the Department to stretchout viable, ongoing programs or defer support elements of weapon systems to finance cost growth, increased requirements, and emergent programs which were of a higher priority. It, in turn, had a destabilizing effect on contract prices, economic production rates, equipment deliveries, and maintenance of the Defense industrial base.

This will bow-wave prior year funding deficiencies causing further turbulence and reprioritization during fiscal year 1987 program execution.

In the RDT&E title approximately three fourths of the rescissions were attributable to prior year inflation savings and had no effect on fiscal year 1987 execution. The remaining one fourth reflected program cancellations and congressional direction and similarly had no impact.

Question. If faced with a similar outlay problem for fiscal year 1988, would you advocate a similar rescission of available funds instead of the transfer of such monies to the fiscal year 1988 program?

Answer. Yes, if a similar outlay problem were encountered for fiscal year 1988, a similar rescission of available funds would be preferable to transfers to the fiscal year 1988 program.

Question. How did the rescission package impact the formulation of the baseline and growth estimates used in preparing the budget before us?

Answer: The fiscal year 1988 budget provided for 3 percent real growth in budget authority over the enacted level for fiscal year 1987. The impact of the rescission from prior year balances has been reflected in the outlays estimated for fiscal year 1987 and beyond. This is consistent with the past practices of DoD and OMB regarding rescissions.

Fuel Prices and Currency Conversion Rates

Question: In previous years, Congress has been been able to make substantial reductions in budget submissions because of favorable trends in fuel prices and foreign currency conversion rates. However, trends in fuel prices and currency rates appear to be reversing. Since your budget submission was put together, the value of the U.S. dollar has fallen, and the price of petroleum has risen. My staff estimates that, if current petroleum and currency rates remain in effect when fiscal year 1988 begins, the Department's budget will be underfunded by approximately $1 billion. How does the Department propose to deal with this problem?

Answer: It is very difficult to project what the value of the U. S. dollar will be next fiscal year. However, it is true that since the budget was formulated the U.S. dollar has declined in value. If one assumes that the lower foreign currency exchange rates experienced in February 1987 will be in effect for FY 1988, the Department would have a funding shortfall of approximately $.5 billion in our overseas operating programs. In dealing with this, the Department would first attempt to accommodate this funding shortfall by transferring available assets from the Foreign Currency Fluctuations, Defense appropriation. We have been able to satisfy shortfalls in the past by this means. However, if the assets in the transfer appropriation are not sufficient to finance all of the shortfall, then the Department would be forced to reduce lower priority programs to finance the remainder of the shortfall.

The Department's operating accounts formulate the budget request for fuel using the stabilized price concept. During execution the stock fund purchases fuel for the Department at prevailing commercial rates and sells the fuel to the customers at the stabilized rates established in the budget. Current experience through January 1987 indicates that the Department will meet the projected $21.31 average refined cost for FY 1987; therefore, a fuel deficit is not anticipated. However, it is very difficult to project what will happen to the worldwide market price of fuel during the remainder of this fiscal year.

The price of fuel is dependent upon actions taken by the fuel producing countries relative to production quotas which cause changes in the fuel price per barrel. Should prices rise, the stabilized rate policy will permit program accomplishment as budgeted, and the shortfall would occur in the stock fund.

PROFIT POLICY AND PROGRESS PAYMENT CHANGES

Question. Last year, the Congress made major changes in how the government pays for Defense procurement. These changes include increasing the level of contractor investment in tooling and slowing the rate at which the government pays for work performed. How has the Department of Defense implemented these changes directed in last year's legislation?

Answer. The legislation regarding contractor investment was implemented by an interim rule and was published in the Federal Register on January 16, 1987. The legislation to slow payments by reducing the progress payment rate by five percentage points was implemented by an interim rule published in the Federal Register on December 1, 1986, and applies to contracts awarded for which solicitations were issued on or after October 18, 1986.

Question. Over $750 million was deducted from the investment accounts in the fiscal year 1987 Appropriations Bill for these profit policy changes. How has the Department of Defense accommodated this reduction, and was that an accurate estimate of the savings realized?

Answer. The profit policy reduction was applied to all research and development and all procurement appropriations except Shipbuilding and Conversion, Navy, as directed by the Congress. Within each appropriation the reduction was prorated to individual programs. These amounts will be adjusted as necessary during program execution to accommodate the total reduction.

Final congressional action deleted $700 million, $450 million from procurement appropriations and $250 million from research and development appropriations. Based on historical estimates of the value of negotiated contracts to which adjustments in prenegotiation profit objectives apply, the savings will be substantially less. For example, adjustments were made by DoD to FY 1988 and FY 1989 programs in light of the reduced profit estimate. The historical value of negotiated contracts justified reductions of $394 million each year: $270 million for procurement appropriations and $124 million for research and development appropriations. These amounts are comparable to the FY 1987 estimated savings previously provided to the committee.

Question. Did the reduction in major system progress payments from 80% to 75% of work completed achieve the desired goal of generating greater contractor production financing? What would be the impact of a further reduction to 70% of work performed, as proposed last year?

Answer. Yes, reducing progress payment rates increases the amount of working capital that must be financed by the contractor. That is, when the progress payment rate was lowered from 80% to 75% as a result of the DoD Appropriations Act of 1987, the contractor's share of the financing burden was increased from 20% to 25%. If the progress payment rate were further reduced to 70%, the contractor's share would become even larger. This, in turn, would increase contractor's financing costs which ultimately would be passed on to the government as part of a higher contract price. The relationship between progress payments and contract prices was recognized in the Conferees Report related to the Appropriations Act of 1987.

Increase in Local Spending Authority

Question: The Department of Defense budget request will permit local field commanders to purchase items costing up to $25,000 to fulfill immediate, unbudgeted requirements. This is a 500% increase from the current authorized level and runs counter to previous congressional objections to significant increases in this type of spending authority.

Given previous congressional opposition to increasing the spending authority within the Operation and Maintenance accounts, why has the Department proposed this increase? Do you think this policy change will encourage efficiency and economy?

Answer: The present policy does not afford the local commanders with the flexibility they need to meet requirements. The centralized management of most procurement funding often causes considerable delays in fund availability at the local level, thereby precluding the local manager from purchasing urgently needed items of equipment or from avoiding costly leases. The threshold change would provide installation commanders with funding for about 40% of their procurement financed base operating support equipment. This change would place funding approval and availability at the local activity level rather than at the headquarters/major command level and would align funding authority with the other responsibilities associated with base operations. We believe that the local commanders can best assess their needs for base operating support equipment and prioritize their requirements for this equipment within the total funds available to them. With this new authority, local managers will be able to buy such base operating support equipment as dishwashers, vehicle diagnostic test systems, and signal generators when they are urgently required rather than when a distant, higher headquarters can make funding available.

Question: What controls will be place on local commanders to ensure that these funds are spent in accordance with departmental guidelines?

Answer: The Services monitor the execution of O&M funds at the local level through regularly scheduled reviews of installation requirements and funding availability. We believe that these management practices will ensure that the additional funds are used effectively.

Question: Given that many items will no longer be identified as individual line items in the Defense budget, how will the Congress be able to maintain oversight for the spending of these funds?

Answer: O&M budget justification guidance dictates that all increases and decreases from the current year program be separately identified and justified. The Congress would have the visibility to review and approve any significant program changes and to determine if the requirements for base operating support equipment justify the funding levels requested by the Department. We believe this kind of review would provide as much oversight ability as the current procurement system which identifies a large variety of equipment items that fluctuate by item and organization from year to year.

QUESTIONS SUBMITTED BY SENATOR PROXMIRE

QUESTION: Am I correct in concluding that the strategic buildup overall is the main cause for the increased R&D funding in FY 1988? Even in FY 1989 research and development for just Midgetman, MX, SDI, TRIDENT II and anti-satellite weapons will make up 25 percent of the entire defense R&D budget.

ANSWER: If the increase in funding for the Strategic Defense Initiative is included as part of the overall strategic increase, then the primary increase in the FY 1988 RDT&E budget is related to strategic programs. Without SDI, the strategic programs increase approximately 23 percent as compared to 25 percent for Tactical programs.

QUESTION: Won't this surge in strategic R&D come at the expense of research and development into conventional defense technologies?

ANSWER: The FY 1988/FY 1989 budget reflects the Department's best decisions on where to allocate scarce resources. The proposed RDT&E funding levels will support the continued modernization of both our strategic and conventional programs. The conventional programs were funded at a level commensurate with the current threat.

QUESTION: Isn't it correct to conclude that in order to accommodate this surge in R&D spending, particularly on SDI, you've had to cut many major conventional procurement programs?

ANSWER: Funding levels for the FY 1988/FY 1989 procurement programs reflect the Department's commitment to avoid future inefficiencies and high costs resulting from a "surge and starve" approach to defense funding and set as a primary goal the establishment of a long-term, well-balanced approach to defense funding. The procurement levels will provide sufficient funding to increase the survivability and endurance of our strategic forces, and to make our conventional forces more responsive and flexible by improving the striking power and mobility.

QUESTION: Looking into the future, after FY 1988 you're going to have a rapid growth in procurement spending through FY 1990. This is because a number of weapons programs -- like the TRIDENT II missile, the stealth bomber, the SSN 21 submarine, the LHX helicopter and advanced tactical fighters -- will be moving from full-scale engineering development to production over the next three years. Describe the effects of this bow wave in procurement spending we're going to see in coming years. Clearly Congress is not going to be in a mood to grant the huge budget increases it has in the past. Is DoD going to face a big crunch when all these procurement programs come full bloom?

ANSWER: The President's FY 1988-1992 defense program is based on solid and consistent planning for national security resources in the face of increasing risks and continuing fiscal constraints. In order to ensure the stability of the defense program, the Department in concert with the Congress has submitted a two-year budget request. As a result of two year budgeting, the Department will be able to gain greater program stability in providing resources for defense efforts, allow for more economic production of military equipment, and enhance program planning and execution. If the Department is able to restore the commitment to annual modest, but essential levels of growth in defense resources, we will be able to fund the current major R&D efforts that will be funded in procurement in subsequent years.

QUESTION: The Administration is talking about an even heavier investment in SDI in the early 1990x as we supposedly begin full-scale development of a Star Wars system. How are we going to pay for that with all these big-ticket procurement programs coming in line? Are we leaving a future administraiton of big budget headache here?

ANSWER: The allocation of future defense resources will be prioritized in order to establish, maintain, and modernize military forces adequate to meet our national goals. SDI will compete for resources from within the existing funding levels as established by future administrations.

QUESTIONS SUBMITTED BY SENATOR BYRD

OVERALL BUDGET TRENDS: REAL GROWTH

QUESTION: The President has requested a real increase of 3 percent in FY 1988 funding for national defense programs over funding already provided for FY 1987. In addition, he has proposed a $3.4 billion supplemental defense appropriation for FY 1987, including funds for the Strategic Defense Initiative, Special Operations Forces, and war reserve ammunition stocks.

Some defense analysts have argued that a real funding increase of about 3 percent is the minimum necessary to sustain and modernize the U.S. armed forces. While the Administration's FY 1988 funding request is more modest than those made by the Administration in previous years, many observers expect the level of defense funding proposed by the President to be scaled back by Congress in an effort to force the Department of Defense to bear a larger share of the burden of deficit reduction.

Some have argued that the defense budget, which has enjoyed large increases in recent years, is better able to absorb funding reductions than those domestic programs that have been subject to large reductions since 1981. Please comment.

ANSWER: The Secretary and I would take exception, as I am sure the President would, if budget reductions were imposed on the Department of Defense because it was felt by some that we could better absorb such cuts. It is difficult to understand why there are those who would have the Department of Defense bear the burden of deficit reduction efforts when the Department has not been the driving force behind the deficit. In fact, the Department has continually reduced its outlays even while total federal outlays were increasing. The overall federal budget reflects funding requirements for a myriad of unrelated agencies and their programs. These requirements should be examined on their merit. The requirements identified for defense are already significantly below funding levels initially projected by this Administration. And, in recent years, defense has not received significant increases, but, as a result of congressional action in FY 1986 and FY 1987, has received funding levels that resulted in negative growth of nearly seven percent.

QUESTION: Do you agree that a real funding increase of about 3 percent is the minimum necessary to sustain and modernize the U.S. armed forces? What empirical evidence is there to support this claim?

ANSWER: The funding level requested for the Department represents our best estimate of minimum defense requirements. In the final analysis, we will never really be sure how much is enough funding for defense until tested. However, our requirements are developed to meet known and anticipated challenges to this nation's interests, as determined by our experts. Clearly, the budget does not include sufficient funds to accommodate all the requirements envisioned, but it has been developed to meet those deemed crucial to providing an adequate level of defense within acceptable risks.

QUESTION: Congress is in the habit of providing supplemental appropriations only in extraordinary circumstances. Why do you feel it is necessary to request supplemental FY 1987 funding for war reserve ammunition stocks, for example?

ANSWER: The FY 1987 Supplemental requests $2.8 billion in additional funding for critical defense programs. The request is within the funding levels approved by the Congress in its Budget Resolution last year. Those items included in the supplemental represent critical "must pay" items, congressional interest items or congressionally directed programs, and the Strategic Defense Initiative (SDI). All of these programs are considered of sufficient importance to warrant the submission of a supplemental.

The "must pay" programs fall primarily within the military personnel accounts. Without additional funding, the Department may have to resort to reducing its military strength levels in order to stay within current funding levels, and may have to stop payments for CHAMPUS medical costs, and may be unable to cover the additional costs incurred by those stationed overseas. These areas are vital to the morale and quality-of-life afforded our military personnel and, to deny the additional funding would send the wrong message to our military personnel. The dramatic turnaround in our military personnel has been achieved primarily because we have been able to offer attractive compensation and benefits to our service members.

Congressional priorities are included in the supplemental. The Special Operations Force (SOF) requires additional airlift capability and the supplemental request addresses that. The Department also requests funds to fulfill congressionally directed chemical demilitarization. The establishment of independent Operational Test and Evaluation requirements has stressed by the Congress and the supplemental now requests funding associated with that effort. And, support for a variety of NATO Initiatives is included also in the supplemental request.

Finally, the Department has requested additional funding for the Strategic Defense Initiative (SDI) in order to continue the program direction and pace. The Congress made significant reductions to the SDI program. However, the gains made and positive results achieved in SDI research thus far warrant additional funding to allow the Department to pursue the many technologies being investigated under this program.

QUESTION: The Army's share of the Defense Department's budget is the smallest of the three Services. In addition, some critics have complained that a number of Army programs have been slowed or curtailed to provide additional funding for strategic programs, such as the Strategic Defense Initiative (SDI). As Secretary Weinberger has stated, however, "Land forces -- the Army and the Marine Corps -- are the only component of our armed forces capable of seizing and defending territory." (Annual Report to Congress for Fiscal Year 1988, page 149). Some analysts argue that this peculiar function of land forces is vital for success in war.

Given the critical mission of ground forces, shouldn't the Army have a larger share of the defense budget?

ANSWER: A review of the Service funding patterns for the current and budget years reveals that the Services have continued to receive relatively constant shares of the total defense budget request. The area of greatest proportional increase is in the Defense Agencies category, due primarily to the establishment of the Strategic Defense Initiative Office (SDIO). This Adminstration has emphasized strategic modernization and the pursuit of SDI. Nonetheless, the importance of conventional forces and ground forces has not been overlooked. The budget is developed as a balanced response to the known and anticipated risks to this nation's interests throughout the world. The level of ground forces reflected in the budget is consistent with this overall defense program.

OVERALL BUDGET TRENDS: SERVICE SHARES

QUESTION: Have the other Services also suffered reductions in their conventional force programs to provide additional funding for the SDI and other strategic programs? If so, please elaborate.

ANSWER: When this Adminstration took office, only the Trident submarine of the Strategic Triad was being modernized. Emphasis was placed on the strengthening of all three major programs and this has been accomplished with the deployment of the B-1B bomber and the MX missile. The modernization of the strategic forces has required additional funding, but the strategic efforts as a share of the total budget have remained under 15 percent. Strategic programs and the SDI are expensive efforts, but the cost is warranted by the importance of these programs. Nonetheless, we have not ignored the conventional forces. Indeed, as the Soviets rejoin the arms control discussions, conventional forces become all the more important. The budget has been developed with this in mind. It is a balanced program that allows the Department to maintain the forces achieved thus far and continue the modernization efforts so vital to national defense.

OVERALL BUDGET TRENDS: APPROPRIATION ACCOUNTS

QUESTION: According to data provided by the Department of Defense, the fastest growing of the major appropriation categories in the FY 1988-1989 defense budget (excluding Military Construction) is Research, Development, Test, and Evaluation (RDT&E), which is planned to grow in real terms by almsot 15% over FY 1987 levels. By contrast, Military Personnel is estimated to grow in real terms by about 2%, Operation and Maintenance by about 6%, and Procurement by 4.6%.

Why is funding for RDT&E growing so much faster in the Defense Department's planned budget than the other major appropriations? The high rate of growth for RDT&E programs compared to funding increases for the other major appropriations suggests that the Defense Department is more concerned about the future threat than the current threat to U.S. interests. Is the Department confident that current U.S. forces serve as an adequate deterrent of aggression against U.S. interests in the short term?

ANSWER: The Department's FY 1988/FY 1989 budget request reflects a balanced allocation of scarce resources among the various appropriations. While it is important to sustain our current forces and to continue modernization efforts to meet known and anticipated challenges to our national interests, it is just as important to ensure that tomorrow's forces will have the capabilities necessary to preserve our national security. The Strategic Defense Initiative (SDI) holds tremendous potential for significantly reducing the threat from enemy missiles and will allow us to abandon a defense based on mutual annihilation. Likewise, pursuing a myriad of advanced technologies is crucial if we are to maintain the technological advantage that helps compensate for the numerical advantages of our adversaries in military weaponry. RDT&E is our investment in the future and the products of this investment have allowed us to develop a military force that serves as a strong deterrent to those who would challenge our interests in the world. This Adminstration has achieved a significant reversal in condition and status of our military forces and our budget request continues this process. The emphasis on RDT&E will ensure that today's forces will be even more formidable in the future. The Department believes that should the Congress approve the current DoD budget request it will provide the minimum resources for national security.

QUESTION: The tradeoff between military investment and operations funding is central to the defense budget debate. Most analysts agree that U.S. military readiness and modernization has improved in the last six years. They cite improvements in the quality of military recruits, increases in personnel retention, increased training, and the deployment of large numbers of modern weapons. There is considerable disagreement about how ready the military needs to be and about how rapidly the military needs to modernize.

Is it true that the Soviets are not nearly as "ready" as we are?

Answer: There is no single adjective that can characterize the readiness of Soviet forces just as none can characterize our own. But enough Soviet forces are ready to mount a significant attack within [deleted] we cannot rely on long warning in all circumstances, and must have our forces at a high level of readiness if we are to have confidence of a successful defense.

OVERAL BUDGET TRENDS: INVESTMENT AND OPERATIONS FUNDING

QUESTION: How is it decided how "ready" U.S. forces should be?

ANSWER: To determine proper readiness levels we evaluate the quality, quantity, and availability potential of U.S. forces as compared to those of a potential enemy. Since we are generally outnumbered, we emphasize the acquisition of more survivable and technologically capable forces, and stress the achievement of high peacetime and wartime weapon system availability rates. This latter objective is accomplished by retaining experienced and well-trained weapon system operators and associated support personnel and procuring the spare parts, fuel, and munitions required to support peacetime and projected wartime activity levels. In other words, the pursuit of aggressive peacetime training, the maintenance of high peacetime material readiness levels, and investments in sustainability resources are required. Although the exact availability rates will vary by type of equipment--e.g., tank versus airplane versus helicopter--, our forces must be capable of regenerating themselves on a sustained basis to ensure that their combat potential is realized.

QUESTION: Have weapons purchases been accelerated in the last six years at the expense of military readiness?

ANSWER: No. A conscious attempt has been made to ensure that increased weapon system investments are matched by programs that are designed to permit the combat potential of these weapons to be realized. These programs include fully funding the material support requirements--spare parts, fuel and munitions--associated with peacetime training programs.

Resources have been assigned to training programs to maximize the combat capabilities inherent in our weapons. In some cases, this has required additional resources. For instance, the flying hour program for Air Force fighter/attack aircraft has been increased from 13 hours per month per crew in FY 1978 to about 20 hours per month per crew by FY 1984 and sustained in the FY 1988/89 President's Budget submission.

Actions have also been taken, in the form of pay raises and bonuses, to ensure that adequate numbers of experienced and well-trained weapon system operators and associated support personnel are available to operate and maintain the investments in weapons.

Question. Some have argued that it would be less expensive if we improved existing weapon systems rather than buying new systems as we do so often. What is the Administration doing to improve the capability of existing weapons? Please give examples.

Answer. The Packard Commission recommended that the DoD give high priority to cost reductions by increasing the use of technology to extend the life of existing weapon systems. There are many examples of the implementation of this philosophy in the military departments:

Army:

PATRIOT: Beginning in FY 1989, the Army will procure PATRIOT missiles with an Anti-Tactical Missile (ATM) capability. This improvement will allow the PATRIOT missile to be employed against tactical ballistic missiles as well as air breathing targets and avoids the need to acquire a new missile.

STINGER Pedestal Mount: The Pedestal Mounted STINGER incorporates the existing STINGER missile into a highly mobile and transportable surface-to-air missile system. This improvement includes a shoot-on-the-move, night, adverse weather and a multiple launch capability compared with the man-portable STINGER missile and avoids the need to acquire a new missile.

CHAPARRAL: A Rosette Scan Seeker (RSS) which provides improved performance against Infra Red countermeasures compared with the existing seeker is being procured and avoids the need to acquire a new missile.

MLRS: The Multiple Launch Rocket System (MLRS) employs an artillery round used in counter-battery engagements or against non-armored targets. Binary Chemical Warhead (BCW) and Sense and Destroy Armor (SADARM) improvements have been developed which will provide the MLRS with retalliatory chemical and antitank capabilities respectively and avoid the need to acquire a new rocket system.

ATACMS: The Army Tactical Missile System (ATACMS) is a ballistic missile which is fired from a MLRS fire unit for use against targets beyond the range of MLRS rockets. While it is a new missile, ATACMS makes extensive use of existing MLRS technology and will not require a unique fire unit.

Howitzer Modification: The M109 Howitzer is being modified to provide greater reliability, lethality and survivability through the 1990's and beyond in lieu of acquisition of a new close indirect fire support system.

Navy:

A-6F: Limited production of the upgraded A-6 aircraft begins in FY 1988. It incorporates improvements in reliability, performance, and survivability through improved avionics, higher thrust engines and minor airframe changes. Upgrade of the A-6 has precluded the need for development and acquisition of a new design carrier-capable medium-attack aircraft.

F-14D: Limited production of the upgraded F-14 air superiority fighter begins with the last seven of the 12 aircraft requested in FY 1988. The F-14D will include a new engine, a new radar, and upgraded avionics systems. Starting in FY 1990, the new production F-14D program will be competed against remanufacture of existing F-14As to F-14D's. Depending on bid prices, either all new production aircraft or a minimum number of new aircraft plus remanufacture of existing aircraft will be funded. Either the need for new production aircraft will be partially avoided or new production aircraft will be procured at more reasonable cost.

CV-SLEP: This program extends the life of aircraft carriers by a nominal 15 years and thereby delays the requirement for replacement aircraft carriers.

AO Jumbo Conversion: This program expands the cargo capacity of existing AO-177 Class oilers thereby reducing the requirement for construction of new oilers.

Air Force:

FB-111 Tactical Mission Modification: This program modifies FB-111 aircraft previously configured for the strategic bomber mission to a tactical fighter configuration and precludes the procurement of additional aircraft to meet the tactical mission. A total of 59 aircraft will be modified.

KC-135 Reengine Modification: This modification increases fuel offload capability of the current KC-135 Tanker aircraft by fifty percent. For every two aircraft modified we gain an additional aircraft's capacity to meet increased aerial refueling requirements. When completed, the total modification program of 375 aircraft will provide the equivalent of 562 aircraft, thus avoiding the new procurement cost of 187 KC-135 Tanker aircraft.

TITAN II Launch Vehicle Modification: Modification of excess TITAN II missiles for use as space launch vehicles avoids the cost of procuring new expendable launch vehicles to launch Defense Meteorological Satellite Program satellites.

STRATEGIC VS. CONVENTIONAL FORCES

QUESTION: From FY 1981 to FY 1986, funding for strategic forces grew in real terms by about 76% as opposed to 46% for conventional forces. Some critics of the Administration's defense priorities argue that too much is being spent on strategic forces and not enough on conventional forces. Strategic nuclear deterrence is strong enough already, it is argued, yet the United States is inadequately prepared to meet the more likely contingencies of conventional attacks against U.S. interests: either a full-scale Warsaw Pact conventional force invasion of Western Europe or, more likely, a low-medium intensity war in the Third World. In an age of U.S.-Soviet strategic nuclear parity, the North Atlantic Treaty Organization (NATO) can no longer rely on the threat of "first use" of nuclear weapons to reliably deter Warsaw Pact conventional attacks. Secretary of Defense Weinberger has observed, "As the Soviet Union acquired nuclear capabilities equal to our own, the credibility and prudence of relying on nuclear threats to respond to conventional attacks weakened. Secure deterrence requires that the United States and our allies maintain a balance of conventional forces able to meet and fight for a sustained period against a conventional Soviet attack in Western Europe, Northeast Asia, and Southwest Asia." (Annual Report to the Congress, Fiscal Year 1987. page 34)

Given the importance of stronger conventional forces for deterrence, as you acknowledge, how would you rank the priorities of strategic and conventional force modernization? Should funding for strategic forces grow at twice the rate for conventional forces?

ANSWER: We do not rank the priorities of strategic and conventional force modernization. In formulating the budget, we seek a balanced DoD program of strategic and general purpose force capabilities. Strategic and general purpose force programs are evaluated on their individual merits and in both mission areas we fund those programs that are cost-effective in meeting the threats we face.

Question: In the Defense Department's Five Year Plan for FY88-92, how fast are strategic forces planned to grow in real terms versus growth in general purpose forces?
Answer: The strategic forces share of the DoD budget for FY 1988-1989 is less than 15%: The general purpose forces share is about 50%. The balance is in the category Defense-Wide Missions and Support (e.g., technology base, communications, personnel support, intelligence, logistics support). We do not expect any significant changes in these shares.

FORCE STRUCTURE TRENDS: TACTICAL AVIATION

QUESTION: A significant part of the defense budget goes into tactical aviation, counting the costs of developing, producing and operating aircraft and their engines, avionics, missiles, ordnance and other equipment as well as the expenses of manpower, training, and administration. The present budget deficit requires hard choices among the conflicting demands for modernization of equipment, maintenance of force levels, and combat readiness.

The Air Force operates about 60% of U.S. tactical aircraft; the Navy, about 30%; and the Marine Corps, more than 10%, with the Army operating helicopters in tactical roles. These tactical air forces are tasked with a variety of combat missions and military operations on land and sea on a worldwide basis. The diffusion of TACAIR missions among the services has inhibited collaboration in weapons development and procurement of common systems. The current effort to develop an Advanced Tactical Fighter (ATF) for the Air Force and an Advanced Tactical Aircraft (ATA) for the Navy may provide opportunities for more commonality of equipment and weapons capabilities, as well as more competitive development and procurement of tactical aviation systems.

Why do we appear to have four tactical air forces (Air Force, Navy, Marines, and Army)?

Answer. The DoD maintains two separate tactical air forces: one based on established airfields (Air Force) and one based at sea and on expeditionary airfields (Navy/Marine Corps). The Air Force and Navy/Marine Corps have missions and operational constraints that quite often dictate the use of different aircraft to satisfy these requirements. The obvious case is the difference in aircraft designed for carrier-based operations compared to land-based operations. Carrier-based aircraft pay a penalty in performance and cost. This penalty should not be forced on the Air Force for the sake of commonality. The Air Force has the larger force requirements, therefore the additional cost associated with buying F-14s in lieu of F-15s, or F-18s in lieu of F-16s, would be huge.

Within each Service, previous Administrations decided to pursue complementary--not duplicative--fighter and attack programs: the F-14 and F-18 for the Navy/Marine Corps and F-15 and F-16 for the Air Force. We support this course of action.

The F-14 with its unique Phoenix missile capability is the Navy's primary Fleet Air Defense aircraft, uniquely capable of engaging enemy bombers at ranges that preclude effective launch of their anti-ship missiles against our battle groups. We are buying the less expensive F-18 to equip Marine Corps fighter/attack squadrons and Navy light attack squadrons. The F-18 has multi-mission fighter and attack capabilities as opposed to the more specialized F-14, whose fleet air defense role cannot be filled by any other aircraft in production.

Marine Corps aircraft are an integral part of naval tactical air and can be operated from aircraft carriers if need be. They are procured with Navy funds, maintained and supplied from a common Navy supply system, and the pilots are trained in common Navy training facilities (except for the specialized unit training optimized for their primary operational use). Considerable savings are accrued through common development, procurement and support of similar equipment. Since the Marines do not possess a large artillery and tank component, they rely on an integral tactical air arm to support ground operations.

In a manner similar to the Navy program, we are following a mixed procurement plan for the Air Force with production of the F-15 and F-16. We are procuring the F-15 as a dual-role fighter for long-range night attack and air superiority. The less expensive F-16 is a superb multi-mission aircraft whose capabilities make it useful for all tactical missions. Moreover, we are modernizing our strategic air defense force by modifying and transferring some of our older F-16s from our tactical force.

We do not view the Army's helicopter assets as a "tactical air force". Army aviation is an integral part of the combined arms team in fighting the air land battle. It provides the Army with close combat and air mobility capabilities by employing four basic aircraft systems: attack/scout, combat utility and cargo, and special electronics mission aircraft (SEMA).

Question. How will the Fiscal Year 1988 budget help us to perform tactical air operations more cost-effectively through commonality of equipment, termination of marginal programs, and better training?

Answer: The FY 1988 program incorporates a variety of measures that increase efficiency in the tactical air forces.

Commonality is being fostered by development of several key electronics and weapons systems that will be incorporated into future aircraft. Examples include the Advanced Self Protection Jammer (ASPJ); the Integrated Communications Navigation and Identification Avionics (ICNIA) program; and new munitions such as the Advanced Medium Range Air-to-Air Missile (AMRAAM). Design of the major new tactical aircraft, the Air Force's Advanced Tactical Fighter (ATF) and the Navy's Advanced Tactical Aircraft (ATA), is being undertaken in close coordination so that each of these aircraft, which have fundamentally different roles, can nonetheless share their developmental effort as much as possible.

Marginal programs will be terminated. For example, the Air Force elected to cancel the Precision Location Strike System (PLSS) this year. This electronic combat system has encountered protracted delays, cost growth, and reliability problems. As a result, we also could close the production line for the TR-1 reconnaissance aircraft that was to carry the PLSS sensors. We also terminated the production run for the Durandal runway penetrator bomb, in the expectation of having a better system in a few years time.

We have sustained our emphasis on tactical aircrew quality throughout the 1980s. We continue to provide significantly increased flying time for each pilot over the level achieved during the late 1970s. Training quality also is increasing. For example, the number of instrumented air combat training ranges continues to grow, providing near-real-time exercise analysis not available before.

PROCUREMENT OF FEWER F-15 AND F-16 FIGHTERS

QUESTION: How will the Air Force be affected by the FY 88 budget's procurement of fewer F-15 and F-16 fighters than planned and the decision to reduce the force level goal from 40 to 37 tactical combat wings?

ANSWER: The FY 88 budget reflects the actions we must take to get the maximum capability from our present force of approximately 37 tactical fighter wings (TFWs). Our requirements remain in excess of 40 TFWs and our interim goal is still 40 TFWs, however under present fiscal constraints, a procurement level necessary to achieve our 40 TFW goal and sustain our current force is not possible. With the available funding we have constrained the force at 37 TFWs to ensure a balanced, capable, and modern force. We are developing modification programs for current inventory aircraft to increase capability, serviceability, and aircraft service life.

FIGHTER AND ATTACK PLANE REPLACEMENT

QUESTION: Which fighters and attack planes in our present inventory will be replaced by the Air Force's Advanced Tactical Fighter (ATF) and the Navy's Advanced Tactical Aircraft (ATA).

ANSWER: The ATF is being developed to replace the existing Air Force F-15 air superiority force structure. The Air Force is currently investigating the Navy's ATA and applicable variants of the design which potentially could be accepted into the Air Force's tactical inventory. The existing SECAF/SECNAV Memorandum of Understanding (MOU) for "Cross-Service Utilization of the USAF Advanced Tactical Fighter (ATF) and the Navy Advanced Tactical Aircraft (ATA)" establishes the mechanism for the Air Force to examine the ATA as a candidate to fill future interdiction mission needs and the Navy to examine the ATF as a candidate to fill future air superiority mission needs. The ATA is being investigated as a potential replacement for the long range F-111 while the Navy is looking at the ATF as a potential replacement for their F-14 air superiority force structure. The goal is to capitalize on commonality and cooperative development of the critical technologies, sub-systems, and components in order to evaluate opportunities for cross service utilization.

Within the Navy, ATA will replace the A-6 aircraft. ATF is currently being evaluated as a replacement for the F-14 aircraft. Multimission capability of carrier aircraft is very important since deck space is limited. Both ATA and ATF have multimission potential. As the two aircraft enter the inventory and evolve, other carrier air wing aircraft may be replaced giving greater commonality to the air wing.

DEFICIENCIES IN TACTICAL AIR CAPABILITIES

QUESTION: In connection with the raid on Libya last year, what deficiencies in our tactical air capabilities were revealed and how are these problems addressed in the FY 88 budget?

ANSWER: [Deleted.]

[Deleted.] The Navy through the offices of the CNO (OP-953) conducted an in depth study of the warfare lessons learned in Libya. In excess of fifty fleet improvements were identified in this study. These are being pursued through the Planning, Programming and Budgeting System (PPBS) and will be addressed in the FY88 and future budgets.

In addition to these systemic efforts, we have several more pressing improvements which are being pursued in the near term through the special $50 million Libya Lessons Learned funding (FY87 reprogramming). Among these are accelerations to the A-6F program including Night Attack Navigation Systems, Electronic Counter Measures (ECM) improvements and other tactical interface enhancements. Short and medium range RPV programs have also been expedited using this funding.

OUTYEAR FORCE GOALS: 600-SHIP NAVY

QUESTION: The Navy has testified it needs a minimum of 3% real growth in funding to sustain the 600-ship Navy. If this figure is not attained, the Navy of the 1990s could be either 1) smaller than now planned, 2) less ready, less sustainable, and less modernized than now planned, or 3) some mixture of both. A force that meets its numerical platform objective but falls short of its objectives for readiness, sustainability and modernization is sometimes referred to as a "hollow" force.

Given past appropriations, the Navy will likely achieve a fleet of 600 battle-force ships by the turn of the decade, as it has said it would. (Give the time needed to build new ships, the number of ships in the Navy in a given year is about 99% determined by actions taken years earlier. With the exception of a few small ships, and barring unplanned early retirements of older ships, the 600-ship figure is locked in place, at least temporarily.) This suggests that not meeting the 3% real growth requirement could, over the next few years, produce a Navy that tended more toward the "hollow" outcome.

Does the Navy still believe that a minimum of 3% real growth in funding is needed to achieve and properly sustain the 600-ship Navy? If so, for how many years will this 3% growth rate have to be maintained? If the Navy no longer is using the 3% real growth yardstick, what new minimum growth figure has it adopted, and what explains the change?

Answer: The 3% real-program-growth-in-funding goal is based on the experience of the 60's and 70's and was a number used to denote the level of capital investment required to modernize the defense establishment over time so that one would not be faced with the shrinking and obsolescing defense establishment that greeted this Administration when it took office. That 3% level is a goal that has to be viewed in the broadest possible terms. In any one year, due to the nature of the capital investment required in that year, on a time phase basis, you might need more than 3% or you might need less than 3%. In the first four years of this Administration (FY 1982-1985), the Navy experienced greater than 3% real program growth because we had to overcome the serious deficiencies in capital investment as well as in a broad variety of support areas that were created in the aftermath of Vietnam. The goal of the "600-ship Navy" was achieved based on those investments. For the next four years of this Administration, Navy budgets have contained an average of .2% real program growth (FY 1986-1989). What is required now is the making of intelligent investment decisions to ensure that our force levels are acquired and maintained as efficiently and economically as possible. In some years that may involve real program growth spikes, greater than 3% while in others, actual decline.

OUTYEAR FORCE GOALS: 600-SHIP NAVY

Question: What would be the effects on the Navy and the 600-ship objective of falling short of the required real funding growth rate? Would the near- and mid-term effects differ from the long-term effects? If so, how? Would we win up in the near- and mid-term with a somewhat "hollow" Navy?

Answer: The impact of continued funding of Navy requirements below the required real growth rate can be best illustrated by the state of the Navy in 1980 after years of sustained underfunding. Our Navy found itself "cross-decking" ordnance and equipment just to support peacetime operations, readiness reporting in some areas was nearly half of what it is now, and aircraft and ship overhaul backlogs were enormous and further aggravated by a lack of the requisite numbers of ships and aircraft. A return to shortsighted support of Navy funding requirements would be felt first in a degradation in readiness and sustainability. The longer term effects of cutbacks would be felt in the early nineties as the Navy would be faced with an aging, less capable force and few modern platforms in production. This is a repetition of the history after the Vietnam conflict. If this trend continued and Congress refused to allow any Defense growth, the Navy will decline in a balanced way. This will include, if necessary, reducing the number of deployable ships by mothballing the oldest ships earlier than their planned retirement dates. The term "hollow" is not a characterization that has been used by the Navy and we will continue to ensure to the best of our ability that whatever size Navy the Congress provides for will be balanced and as capable as resources appropriated allow.

Question: If the required real growth rate can be achieved, how can the Navy's budget be intelligently pared to minimize the adverse consequences? Which programs are your highest priorities?

Answer: The Navy's FY-88/89 budget represents a balanced program which was structured over the last year while the Navy topline for these two years was reduced 10% from what had been programmed at the time of the FY-87 President's budget submission. The programs which remained after this considerable reduction in resources represent the best balanced set of programs designed to ensure that both today's Navy and the Navy of the nineties are capable of executing the maritime aspects of the nation's strategy. It makes no sense to protect any one aspect of the Navy program "at all costs." The Navy program must be a balanced program.

MODERNIZATION: NUCLEAR-POWERED AIRCRAFT CARRIERS

QUESTION: The Administration is requesting $644 million in FY 1988 advanced procurement funding -- a "downpayment" -- for two new NIMITZ-class nuclear-powered aircraft carriers. Another $797 million in advanced procurement funding is projected for FY 1989. The balance of the two ships' estimated combined cost of $6.9 billion is to be requested for FY 1990. Approving the FY 1988 "downpayment" would create a strong incentive to approve the remainder of the two ships' funding in FY 1989 and FY 1990. The ships would replace the MIDWAY (commissioned in 1945) in 1995 and the SARATOGA (1956) in 1998, thereby maintaining a force of 15 deployable carriers.

Prior to the December 1986 DoD announcement that the Administration would request this funding, the Navy had testified that it would not seek advanced procurement funding for another carrier until FY 1992. A single carrier would then be sought (for full funding by FY 1994) to replace the MIDWAY in the year 2000. The proposal thus accelerates the funding schedule for the MIDWAY'S replacement by four years, and adds a second carrier not previously budgeted for the FY 1988-1992 time period. The Administration argues that buying the two ships together will save hundreds of millions of dollars on the combined cost of the two ships.

The last time two carriers were funded in a single year (FY 1983), the Navy projected that efficiencies and economies of scale made possible by the two-ship buy would save $754 million on the combined cost of the two ships. How is this projection faring to date?

ANSWER: The $754M figure was the difference in escalated dollars between the estimated cost of two CVNs purchased on an annual buy, and the two-ship buy included in the FY 83 budget. (In constant FY 82 dollars, this $754M savings figure is estimated to be $231M.)

These savings were built into the FY 83 budget. To the extent that we are executing the program within the budget, it is fair to conclude that the Navy is "faring well." In fact, the Navy is currently executing this program at a cost that is about $1.3B less than the amount in the original FY 83 budget request. (Much of this $1.3B reduction, of course, has resulted from escalation that has been lower than the Navy had projected when the FY 83 budget was submitted.)

QUESTION: What are the actual and currently projected savings due to the efficiencies and economies of scale made possible by the two-ship buy?

ANSWER: Answering this question would require a data base that does not exist: that is, comparing actual costs to a set of bids received for an annual-buy procurement. The Navy did not attempt to purchase the two CVNs on an annual buy basis, so an annual-procurement bid is not available as a point of comparison.

What can be said is that the Navy is executing the program well within the original budget request. That budget request had built into it the assumed savings.

QUESTION: What are the estimated savings this time? What would a single carrier cost? What would be the cost if the second carrier were funded two years down the road? Please provide a table showing projected outlays for the proposed two-carrier buy, a single-carrier buy, and a two-carrier buy in which funding for the second carrier was delayed two years.

ANSWER: We believe that the savings from buying two carriers at one time, versus buying them one at a time, will be approximately the same (in constant dollar terms) as was assumed in preparing the FY 83 two-carrier budget request.

Before providing the details that support this answer, it may be useful to recapitulate the various estimates for alternative programs that have been offered, and the savings implied by them.

Last year's plan for two single ship buys in FYs 94 and 96 was projected at $10,003M, in then-year dollars. This compares with the President's Budget two-ship plan for $6,966M, in then-year dollars, and thus represents about a $3B difference.

Last year's plan included provision of funds to upgrade the designs of the CVNs, whereas the funds in the President's Budget would procure repeat CVN-72/73 design ships. If the two profiles are compared on an equivalent basis, i.e., additional funds for design upgrades and a single-ship acquisition strategy are removed from last year's plan, and escalation is removed from both estimates, there is a constant dollar savings of roughly $700M that is attributable to production continuity or "heel-to-toe" production.

It is important to bear in mind that the acquisition strategy which shaped the decision to advance the CVN replacement program is a composite business strategy having two basic elements: two carriers being bought on a multi-ship basis, and their being bought "heel-to-toe" with the carriers already in production, and with each other.

Our program takes advantage of the productivity savings inherent in a stable "new carrier" construction workforce. The achieved savings resulting from this strategy would not be possible with the procurement of the CVN-74 and CVN-75 as previously planned because the builder would have experienced a three-year break in the production line. We are now in the same position we were in for the FY 83 procurement of CVN-72 and CVN-73; the builder has a new carrier under construction and the "heel-to-toe" production of two follow-on carriers offers significant savings.

Not adhering to this acquisition strategy would erode the potential savings by precluding the effective use of economic ordering quantity buying for shipbuilder CFE, and GFE items, diluting the skilled trades presently in place, and, in turn, create unnecessary start up costs associated with disruptive peaks and valleys in the shipyard workforce, as well as in the procurement of steel and components. Employment of this strategy will, in turn, also preclude any sharp TOA spikes in the outyears and at the same time provide for a stable carrier replacement program, one that allows for a more orderly retirement schedule of our present force, and obtains these replacement platforms at the least cost to the taxpayers.

A single carrier fully funded in FY 90 with advance procurement for nuclear propulsion components in FY 88, would have an end cost of $3600M. If the second carrier is funded two years later as a second single ship buy, the end cost would be $3900M.

The following outlays apply to each of the options specified in the question, plus an additional option necessary to answer the first part of the question (then-year dollars in millions):

Fiscal Year:	88	89	90	91	92	93	94	95	96	97	98	99	2000	2001	Program Total
Alternative															
1. Proposed two CVN buy	6	80	333	552	768	891	1248	1206	1139	385	182	134	42	-	6,966
2. Single (FY 90) ship	2	25	158	302	425	570	641	659	353	335	94	36	-	-	3,600*
3. Single (FY 92) ship	-	-	2	27	172	328	460	617	695	714	382	363	101	39	3,900*

The third part of the question is answered by summing lines 2 and 3 in the table above.

*These estimates are not budget quality, but represent rough order of magnitude estimates to allow comparison of various "what if" options. More time would be required to develop budget quality estimates.

Translated into constant FY 88 dollars the table indicates that it would cost: - $5,893M for the two CVN buy (line 1) - $6,210M for the two single ship buys combined (lines 2 and 3). This implies a savings of $317M for a two-ship buy versus two single ship buys. Note that this appears consistent with the savings assumed in the FY 83 budget for a two-ship buy (see Question #109). Hence, as indicated at the start of this response, it is believed that the savings from buying two carriers at one time, vice buying them one at a time, are approximately as assumed in the FY 83 two-carrier budget request.

MODERNIZATION: NUCLEAR-POWERED AIRCRAFT CARRIERS

QUESTION: We have been told that each year of delay in funding the carriers would cause an increase in the real (constant-dollar) cost of the carriers because a gap in carrier construction at Newport News would lead to layoffs, a declining carrier-construction skill base, and an increasing requirement to recover this skill base once construction resumes. Is this true? If so, please explain this in detail, and provide a table showing, for the same three procurement profiles described above, the year-by-year increases in the real cost of the ship(s) caused by each year of delay for one, two, three, and four years of delay.

ANSWER: The erosion of the industrial base and the significant cost to retool and relearn is real. The detail of these costs for each profile was provided in a presentation to Congressional Budget Office and General Accounting Office personnel. Because of the complexity of this data, it is not feasible to present in a simple tabular, written response. The Navy would be pleased to meet with any personnel designated by the Committee to discuss these issues.

QUESTION: In a recently published article (Jane's Defense Week, January 10, 1987) Secretary Weinberger expressed serious concern over the NATO-Warsaw Pact conventional force balance. Nevertheless, the DoD FY 88/89 budget request reflects substantial reductions in the procurement of M-1 tanks, Bradley fighting vehicles, OH-58 (AHIP) scout helicopters, and AH-64 Apache attack helicopters.

In view of the Secretary's expressed concern over the NATO-Warsaw Pact conventional balance of forces, how do you reconcile a simultaneous reduction in procurement of the Army's major conventional weapons systems?

Answer: This reduction is caused by the relatively austere budget limits; there are many additional things we would like to do, and would do if more money were available. Increasing Army procurement of major weapons sysems is one of those.

MODERNIZATION: ARMY WEAPONS PROCUREMENT

QUESTION: Noting substantial increases in the funding of strategic systems, to what extent has the welfare of conventional forces been sacrificed to finance an expanding Strategic Defense Initiative.

ANSWER: Both strategic and conventional forces have received significant funding increases since 1980. While Congressional pressures to lower Defense spending have forced us to cut back on previous plans, the cuts have been taken in a responsible and balanced fashion; we have not "sacrificed" conventional forces to finance SDI. We need both strong nuclear and strong conventional capabilities, and the FY 1988-89 budget is structured to meet that objective, within the resources available for Defense.

Threat to U.S. Security

Question: Does the seeming "first priority" of SDI over conventional forces accurately reflect the most likely foreseeable threat to U.S. security interests? In other words, does the Secretary see a global nuclear war more likely than conflicts calling for the use of conventional forces?

Answer: One must differentiate between the likelihood of a given conflict and its potential effects on U.S. national security. While a wide range of conventional and unconventional threats to U.S.security will require us to maintain and improve upon our conventional force posture, the threat posed to the U.S. and our allies by Soviet nuclear ballistic missiles has the potential for cataclysmic consequences. Due to the potential consequences of a nuclear exchange, it is our policy (1) to modernize our strategic forces in order to maintain a strong deterrent to the use of nuclear weapons and (2) to conduct a research program into the feasibility of a defense against ballistic missiles with the aim of reducing and ultimately eliminating their military utility. I would further reject the implication of the question that SDI is directing necessary resources from conventional forces. Overall expenditures for conventional defense have increased significantly since 1981, as have expenditures for research into technologies which might support conventional force missions. While the SDI is and will remain a high opportunity, funds allocated to SDI in FY 1987 amount to only 1% of the total DoD budget -- a relatively modest expenditure of resources to find ways to reduce and ultimately eliminate the threat of devastation posed by ballistic missiles.

MODERNIZATION: ARMY WEAPONS PROCUREMENT

QUESTION: Noting the increase in operations and maintenance ("readiness") funding and the simultaneous curtailment of major weapons systems procurement in the Army budget, does the Secretary believe the present international situation calls for an improvement in immediate warfighting capabilities rather than a continuation of equipment modernization? In other words does the Secretary believe the international situation demands emphasis on "readiness" for combat in the near term or would it make more sense first to complete the Army's equipment modernization programs before increasing operations and maintenance funding?

ANSWER: Obtaining the proper balance among readiness, sustainability, modernization, and force expansion is perhaps the most difficult problem in preparing our budget in support of conventional programs. As has been the case throughout this Administration, however, we continue to believe that readiness should be given the top priority for conventional forces. To deter war, we must have forces that are ready to deploy and fight effectively, on short notice. But we haven't pursued readiness improvements to the exclusion of equipment modernization. Within the lower fiscal levels that have been made available for Defense, we believe the FY 1988-89 program represents the proper balance between readiness and modernization. If our budget was larger, needed modernization would obviously proceed at a faster pace.

PURCHASE OF C-17

QUESTION: After years of indecision, the Air Force selected the McDonnell Douglas C-17 as the cargo aircraft of the future. The Air Force plans to purchase 210 of the new planes at a cost of $39.5 billion, the first squadron becoming operational in 1992. The program is now in its second year of research and full-scale engineering, which calls for production and testing of the first flight test aircraft. Critics argue that the C-17 is too small and too costly and that more consideration should be given to alternative methods of moving equipment to remote areas in an emergency. The Air Force maintains, however, that U.S. airlift capability is dangerously short of what is needed and that further delay in selecting a new airlifter will only prolong this shortfall. As a new program, the C-17 is likely to remain a target for budget-cutters, although the fact that almost $3 billion has already been committed argues against cutbacks or cancellation.

Purchase of the C-17 heavy cargo plane will commit the United States to using that plane well into the next century. How do you respond to critics who argue that the plane is too expensive and not enough of an improvement to justify the cost?

ANSWER: The C-17 is only expensive when comparing acquisition costs of other alternatives which are currently in production and have already paid their development costs. The C-17 provides enough of an improvement that its higher acquisition costs are offset by its low operation and support costs which make the C-17 cheaper in a life cycle comparison.

Additionally, no other aircraft provides the same capability as the C-17: long-range with a heavy payload into forward airfields; the ability to either airland, airdrop or extract outsize equipment; the ability to deliver more cargo to where it is needed in less time. The C-17 provides twice the capability as the C-141 at approximately the same cost per flying hour.

The C-17 was designed to combine the heavy lift capability of a long-range transport with the austere airfield capability of a tactical airlifter. The aircraft can be used where the need is the greatest and perform the mission better. The improved capability provided by the C-17 justifies proceeding with the program.

ALTERNATIVE MEANS OF CARRYING MATERIEL

QUESTION: Experts say that carrying military equipment and supplies by air is extremely inefficient. Why not buy more C-5s and KC-10s to satisfy near-term needs and put money into alternative means of carrying materiel, such as air-cushion vehicles and fast sealift?

ANSWER: Carrying military equipment and supplies by air is only inefficient when compared to the cost of moving equipment and supplies by ship. However, sealift is incapable of meeting movement requirements in the early and critical stages of a conflict. Fast response and flexibility is the benefit provided by airlift. The key is to build a force structure with the proper mix of airlift, sealift and prepositioning and take advantage of the benefits of each system. Our strategy which procures the C-17 to meet airlift requirements along with an appropriate mix of sealift and prepositioning is the best mix of mobility assets to meet US force projection requirements and provide a credible capability to meet our worldwide commitments.

Buying additional C-5s and KC-10s plus putting money into more sealift type vehicles will not provide the proper mix and kind of capability needed. Additional and improved sealift could get more equipment to the theater of operations, but the ability to move that equipment forward in sufficient time to counter the enemy or resupply our forces is dependent on airlift. The C-17 is the only aircraft which increases our capability to get equipment to the forward area rapidly.

C-17 COST AND RISK

QUESTION: Part of the justification for the C-17 is that it will be able to fly directly into unimproved fields close to the battle area. Will the Air Force be willing to endanger a plane expected to cost more than $125 million, not counting operating costs, by sending it into areas close to enemy fire?

ANSWER: Evaluation of risk to any airlift aircraft is, at best, highly subjective. Depending on the nature, time, and location of a conflict, as well as the enemy's warfighting strategy and tactics, operations at large main, operating bases may pose a greater threat than those at dispersed locations farther forward.

CINCMAC, in commenting on the concept of operations for the C-17, has said: " . . . the C-17 can deliver people, equipment, and supplies to the brigade level and even further forward, if required. Its design will allow delivery of all sizes of cargo into forward operating locations; its maneuverability, speed, climb rates, and redundant systems will make it more survivable than any current airlift aircraft. Additionally, its larger payload and smaller crew size will allow effective risk management by exposing fewer people and aircraft to forward area threats."

As noted by the Chairman, Joint Chiefs of Staff, in a 2 Oct 86 letter to Senators Stevens, Johnston, Rudman, and Stennis: "Today, the C-17 represents the only way to achieve the strategic and tactical mobility the Armed Forces require. The C-17 delivers forces to forward airfields quickly . . . and . . . eases congestion at major airfields . . . The commanders of the unified and specified commands have clearly stated their need for the C-17 during recent congressional hearings, emphasizing its usefulness in getting forces and equipment where they are needed when they are needed."

CIVIL RESERVE AIR FLEET

QUESTION: Civil aviation continues to improve in terms of aircraft size and efficiency. New and more powerful engines enable commercial planes to fly longer and more safely each year. Should we not use the CRAF program (Civil Reserve Air Fleet), which pays the airlines to modify commercial cargo aircraft for use in military emergencies?

ANSWER: Yes, the DOD does plan to use CRAF carriers during military emergencies. Although the CRAF has never been activated, CRAF carriers regularly fly contract missions for DOD. A notable example was during exercise TEAM SPIRIT 86 when DOD contracted with Pan American World Airways to use one of its B-747s modified by the CRAF Enhancement Program to carry DOD cargo.

C-17 AND NEW TECHNOLOGY

QUESTION: The C-17 is an outgrowth of earlier designs for short take-off and landing planes in the 1970s. Further delays have now set back delivery of the first plane to 1989. Will this plane be outdated before it is built? Would it not be better to start research on an entirely new plane with all new technology?

ANSWER: The C-17 will not be outdated before it is built. When the C-17 is delivered, it will have the latest communication and navigation systems, the most fuel efficient engines available in its thrust class, and the latest structures and materials incorporated in its design.

Starting research on an entirely new plane now would not result in a more technologically advanced aircraft. The C-17's extensive use of digital technology will allow for systems to be easily upgraded in the future. Changes in materials and structures, if appropriate, can be incorporated in later production aircraft. There is no technology which exists today or is projected to be in use over the next few years that would impact the C-17. Delivering a new aircraft a few years after the C-17's first flight in 1990, would not result in a more technologically advanced aircraft. Conversely, it would likely result in a more expensive airlift aircraft caused by the delay and start of a new program.

C-17 VERSUS PRE-POSITIONING

QUESTION: No amount of C-17s can provide the tons of ammunition and heavy equipment needed to support a major force in a full scale war. It would also be impossible for the C-17s to move any reasonably large force with its equipment and supplies to a remote area. Why not spend the money to pre-position these items close to where they might be needed and rely on sealift to get there with reinforcements?

ANSWER: The assertión that no amount of C-17s can provide the tons of ammunition and heavy equipment to support a major force in a full scale war or move large forces to remote areas is incorrect. The C-17 can carry all classes of cargo (including outsize) and can deliver its payload to remote areas by using either airland, airdrop or extraction delivery methods.

However, utilizing just airlift or buying more pre-positioned assets and sealift instead of airlift is not the most effective way to deploy and support forces in combat. A strategy which utilizes airlift along with sealift and prepositioning can best meet force projection requirements. A balanced mobility program takes advantage of each component. Airlift is fast and flexible, but has a limited capacity and is airfield dependent. Sealift has a large capacity and some flexibility, but is slow and seaport dependent. Prepositioning which requires a marry-up of equipment and personnel reduces overall long range movement requirements, but at the expense of duplicate sets, limited flexibility and increased vulnerability.

A Congressional Budget Office Report, September 1986, examined various alternatives to meet mobility requirements and pointed out the disadvantages in deferring airlift improvements and relying more on sealift and pre-positioning to deploy military forces. Our strategy which procures the C-17 to meet long term airlift requirements along with an appropriate mix of sealift and pre-positioning is the best mix of mobility assets to meet US force projection requirements and provide a credible capability to meet our worldwide commitments.

BUDGETARY IMPLICATIONS OF B-1B'S PROBLEMS

QUESTION: The Air Force has taken delivery of about 30 aircraft (of which only one is reportedly fully operational) in the B-1B strategic bomber program, officially estimated to cost $20.5 billion (FY 1981 $) for 100 aircraft, which are already under contract. Some $600 million is included in the budget request to conduct additional flight tests, to fix defective parts -- including fuel tanks -- and to correct major problems in the B-1B's electronic jamming equipment.

The Administration has decided to limit production of the B-1B to 100 aircraft, while developing as a follow-on to the B-1B a new type of aircraft that is supposed to be less detectable by enemy radar, known as the "Stealth" Advanced Technology Bomber (ATB). The Air Force plans to buy 132 ATBs, which are expected to enter service in the early 1990s. Very little is publicly known about the ATB program, which has remained highly classified despite attempts to gain access to information about it. Secretary of Defense Weinberger was directed by Congress to present a detailed accounting of the cost of the ATB program in early 1987.

What are the probable budgetary implications of current Air Force efforts to correct the B-1B's operational problems and avionics deficiencies?

ANSWER: The current FY 1988/1989 B-1B RDT&E request includes $595 million to complete development of the baseline system. If this request is fully honored, the program will be funded at $20.2B (FY 81), well within the certified cost.

B-1B'S INADEQUACIES

QUESTION: How would you respond to the very specific criticisms recently made about the B-1B's inadequacies (Washington Post, Jan 4, 1987): that the aircraft is overweight, underpowered, unstable, has insufficient unrefueled range and inadequate maneuverability for its declared primary mission; and that these shortcomings are impossible to fix at any reasonable cost?

ANSWER: The aircraft is not overweight, underpowered, or unstable. It meets its full specified range requirement. It is a very maneuverable aircraft.

DEVELOPMENT AND PRODUCTION COSTS OF ATB

QUESTION: What are the best current estimates of the development and production costs of ATB aircraft, assuming a 132-plane program?

ANSWER: As previously released by Secretary Aldridge, the total estimated cost for R&D and procurement of 132 ATB aircraft is $36.6 billion in FY 81$. The detailed costs associated with the ATB program are specifically controlled under special access procedures. Procedures have been established to provide this information through the committee staff.

ATB POTENTIAL PROBLEMS

QUESTION: In the B-1B vs. Stealth debate, B-1B proponents called this bomber a "proven system." If this "proven" aircraft has as many operational defects as alleged, why should the Congress continue funding the definitely unproven ATB? ATB critics have described many possible problems which have not been refuted by the Air Force. Please discuss the ATB's potential problems of range, payload, and detectability.

ANSWER: The ATB development program is progressing satisfactorily at the fastest prudent pace to provide an initial operational capability in the early 1990s. Although the program is not completely free of risk the program continues to satisfactorily meet all design objectives. Specifics regarding the aircraft's range, payload, and detectability are specifically controlled under special access procedures. Procedures have been established to provide this information to the committee staff.

MODERNIZATION: STRATEGIC COUNTERFORCE MISSILES

QUESTION: On December 19, 1986, President Reagan decided to begin full-scale development of two systems: (1) A single-warhead mobile "Midgetman" small ICBM; and (2) a rail-garrison basing mode for MX, in which MX missiles would be based on special trains on military bases and dispersed over the U.S. rail network in crises. MX and Midgetman are "counterforce" missiles, having the combination of accuracy and yield needed to destroy ICBM silos and other targets hardened against nuclear weapon effects.

The Midgetman decision follows nearly four years of debate on whether we should proceed with the missile, how large it should be, how many warheads it should carry, and how it should be based. The MX decision responds to language in the FY86 defense authorization act providing that no more MXs beyond the 50 authorized for deployment shall be deployed in existing Minuteman silos. It requests FY88 funds for the basing mode only. The Administration will not, during its term, request funds to deploy more MXs, leaving that decision to its successor.

Do the President's decisions of December 1986 mean that we will deploy Midgetman? Do they foreclose the option to deploy a MIRVed Midgetman in the early 1990s, or to deploy MX in superhard silos?

Answer: The President's decisions in December 1986 regarding ICBM Modernization were related to basing for the Peacekeeper missile and the Small ICBM. Decisions to produce and deploy either missile -- rail garrison Peacekeepers or Small Missiles in Hard Mobile Launchers -- are not scheduled to be made until 1989 in order to meet planned IOCs for the early 1990s. The two-year FY88-89 Defense Budget, and in particular the FY89 request preserves the option to make a production decision on both of these weapon systems.

With regard to a MIRVed option for the Small Missile, the President's decision has foreclosed a near-term option of deploying it with more than one warhead in 1992. Any subsequent Administration may of course review the MIRVed design alternatives formulated in support of the President's decision and elect to deploy the Small missile in more than one configuration. In other words, the President's decision does not foreclose a MIRVed Small ICBM for far term.

The same could be said for basing the Peacekeeper in superhard silos: The President's decision on a survivable basing mode for the Peacekeeper does not foreclose future basing in superhard silos. It is our belief that rail garrison, however, has the greatest potential of furnishing a high degree of survivability at an affordable price.

MODERNIZATION: STRATEGIC COUNTERFORCE MISSILES

Question: Won't a rail-garrison MX spur public opposition by making any place in the United States with a railroad track a counterforce target? Won't the trains be vulnerable to sabotage?

Answer: No, we do not believe that rail garrison will present significant public concerns once the concept is explained fully to the public. Rail based Peacekeepers would be employed in garrisons on existing Air Force bases during times of peace. As such, these deployments should avoid public interface problems associated with previous rail mobile basing concepts under which missiles would be deployed at all times on the Nation's rail net. A rail-based missile, once deployed in times of crisis, should generate sufficient location uncertainty that the Soviets would not have the capability to place the system at risk because of trains would be "lost" in the over 200,000 miles of track. Moreover, once deployed, the missile train would move frequently, so as to preserve location uncertainty frustrating any reasonable Soviet attack strategy. Thus, because the Soviets would have no ascertainable target to shoot at.

With regard to sabotage, each garrison location selected will have multiple accesses to the railnet. It would be highly unlikely for saboteurs to target all these avenues of escape in a well orchestrated plan to prevent missile deployment, without detection. Moreover, blockage of track will not guarantee the Soviet's knowledge of a train's location, nor would it preclude the missile from being launched in a retaliatory response.

Question: The Joint Chiefs of Staff have a requirement for 1,500 counterforce ICBM warheads. Where did the requirement come from? Why does it count pre-attack forces? Aren't the number surviving attack more important? If pre-attack forces are counted because we plan to launch MX on warning, why not have all 1,500 warheads on MXs and none on Midgetman, saving billions? If it's destabilizing to launch MX on warning, why have any silo-based MXs? Why does this requirement exclude submarine-launched ballistic missile warheads?

Answer: The Joint Chiefs of Staff have not stated a requirement for 1,500 counterforce ICBM warheads.

Question. The Navy estimated the life-cycle cost per Trident II-armed Trident submarine to be $5.4 billion fiscal year 1983 dollars for acquisition plus 30 years' operation. Four Trident submarines would, on average, keep just over 500 Trident II counterforce warheads on station, at a cost of $21.6 billion fiscal year 1983 dollars. In contrast, 500 Midgetmen are now projected to cost $39 to $42 billion current dollars for acquisition plus 15 years' operation. What's more, the at-sea Tridents would be highly survivable, while some Midgetmen would presumably be destroyed in an attack. Trident thus appears much cheaper than Midgetman on a cost per survivable warhead per year basis. Why not retain Minuteman and 50 or 100 MX as the land-based leg of the triad, cancel Midgetman and deploy more Trident submarines if we need additional counterforce capability?

Answer. This is an important option, but is not consistent with the expressed interest of the Congress in pursuing the small ICBM program.

Soviet ASAT Capability

QUESTION: The United States is developing an air-launched antisatellite (ASAT) device to destroy the operational capability of an adversary's satellites. The Pentagon asserts that the Soviet Union has an operational "co-orbital" ASAT system using ground-launch interceptors, but tests of the system have had mixed success and the last test took place almost five years ago (in June 1982). The Pentagon also asserts that the Soviets have two ground-based lasers with a limited capability to destroy some components of some satellites (no specifics are available in the open literature).

Since 1983, Congress has placed restrictions on testing the U.S. ASAT against objects in space, although tests against points in space are permitted. One test was conducted against an object in space (an old U.S. satellite) in 1985 after President Reagan submitted the certifications required by Congress at that time. Four tests have taken place against points in space (two in 1984 and two in 1986). The current Congressional prohibition states that tests against objects in space cannot take place unless the Soviet Union again tests its ASAT device.

The Pentagon also believes that the Soviets are developing advanced ASAT weapons, including space-based lasers and particle beam weapons, and ground-based jamming devices. The United States is also looking at directed energy weapons, primarily as part of the SDI program although ASAT applications could develop from the research.

Do you still consider the Soviet co-orbital antisatellite weapon to be operational since it has not been tested in almost five years? If so, on what basis?

Answer: The Intelligence Community judges that the Soviet co-orbital ASAT system has been operational for more than a decade. In addition to this co-orbital ASAT system, there is also a growing threat from present and projected Soviet space systems which are designed to support directly the USSR's terrestrial forces in the event of a conflict. These include ocean reconnaissance satellites which use radar and electronic intelligence to provide targeting data to Soviet weapons platforms which can quickly attack U.S. and Allied surface fleets. They also include photographic and electronic intelligence satellites which provide targeting data and other information useful in supporting Soviet land forces. These Soviet space assets constitute a clear threat in a time of conflict, conventional or nuclear, to our national security and that of our allies.

Urgency of a U.S. ASAT Capability

Question: If not, and since the ground-based lasers have only a limited capability, what is the urgency of developing a U.S. ASAT? Shouldn't we wait until advanced technology (such as lasers) is available instead of deploying a system with such a limited capability?

Answer: The United States must take necessary steps to redress the existing situation in which the Soviet Union has full freedom to attack our space systems with knowledge that their own space systems, including the co-orbital ASAT and the RORSATs and EORSATs, are not vulnerable to counter-attack. The Department of Defense has restructured the U.S. ASAT program to continue work toward achieving both a near-term and far-term ASAT capability. The restructured program implements the Secretary's recommendations to the President following a White House-directed study of how best to continue the ASAT development program in light of two years of Congressionally-imposed budget restrictions and a moratorium against testing of the miniature vehicle ASAT (MV ASAT) against objects in space. The restructured program has three basic elements: (1) continuation of the present air-launched MV ASAT program, the only system sufficiently developed and tested which can be deployed in the near term at low risk; (2) study ways to improve the altitude capability of the MV ASAT within the low-earth regime; and (3) begin studies of a follow-on ASAT by investigating the application of laser technologies.

Testing of the U.S. ASAT

Question: How many more tests of the U.S. ASAT are needed before the system is operational? How many of these tests must be against objects in space? How many tests do you have planned for FY 87 and FY 88? How many of those in FY 88 would be against objects in space?

Answer: We currently do not plan to conduct any live-fire missile tests during the remainder of FY 1987. However, we do plan over the next several years, seven more tests against objects in space. As you are aware, we conducted two highly successful sensor evaluation tests on 22 August and 30 September 1986. To comply with the FY 1986 DoD Appropriations Act (Public Law 99-190) which prohibited testing against objects in space, these tests used the radiant energy of a distant star as the target. We believe that the program is at the point where only intercept testing will provide the necessary data for development to proceed. However, we are still evaluating the data from these two "point in space" tests and may discover that another sensor evaluation mission may be prudent. We intend to pursue an aggressive test effort again in FY 1988 including three intercept tests against our special target satellites.

Laser Technologies

Question: If you were directed to cancel the current ASAT program and develop a laser ASAT instead, how long would it take if the program proceeded at its maximum rate? Approximately how much would it cost?

Answer: It is important to realize that the recently announced restructured ASAT program will enable us to continue work toward both a near-term and far-term ASAT capability. While the air-launched system may use older technology, it is the only system sufficiently developed and tested which can be deployed in the near-term at low risk. However, we realize that newer technologies could produce systems which would be more capable. Such technologies may possibly be available by the mid-1990s. Cost estimates have only been worked out for the upfront technology efforts, not for full-scale development and deployment.

QUESTION: The budget requests for the Strategic Defense Initiative (excluding work funded through DOE) for FY88 and FY89 are $5.22 billion and $6.28 billion, respectively. The Administration also has requested $500 million to supplement the $3.21 billion already appropriated by Congress for FY87. $4.8 billion was originally requested for FY87. The Administration has stated that Congressional restraint in funding the SDI will lead to a one to two year delay in obtaining the technical knowledge necessary for a development and deployment decision in the early 1990s. On the other hand, contradictory suggestions have been made by others that a decision for initial deployments of SDI systems should be reached in this Congress. Such conflicting positions give rise to added confusion over SDI objectives, which must be clearly understood to arrive at proper funding levels.

What budget is projected for SDI for FY90-FY94?

Answer: At the present time SDI research will be consistent with the original $26 billion dollar program. Deployment options that are pursued as a result of a feasibility decision will determine the outyear budgetary requirements.

Question: The SDI was originally promoted as a research program to investigate the feasibility of effective strategic defenses that would lead to a

decision in the early 1990s regarding what to do with what we've learned is possible. Recent Administration statements indicate that the Adminsitrationsy is already committed to deploying whatever comes out of SDI, and perhaps sooner than the early 1990s. Is this the case? And, if so, on what grounds is this justified? What might such an early system be designed to defend?

Answer: The Administration has not committed itself to deploy any as aspect of the SDI. The President's consideration of the concept of phased deployment does not constitute a decision to deploy an SDI system.

Consideration of phased deployment is justified because over the past two years significant progress has been made in some technological areas which could provide su the opportunity to consider deploying a defensive system in phases. Each phase would build on the preceding phase until a complete system could be deployed that would satisfy the President's goals.

The Adminstration has not changed its goal of providing for a defense of our national territory including the general population.

Question: If a decision is made to develop defensive systems under investigation in SDI, will those systems be funded and remain under the administration of the SDI Organization? If so, how will that affect the resources available for research?

Answer: As no decision has been made deployment of SDI, it would be premature to speculate which agency would be responsible for managing the system.

If a decision were made to begin development and deployment it would be necessary to adequately fund not only the monies for development and deployment but also to continue research for a fully capable SDI system.

Soviet Reykjavik Proposal

Question: Will you explain to us the Soviet position toward SDI at Reykjavik; what specifically did the Soviets propose to restrict regarding SDI? How much of the SDI program would have been affected by the Soviet proposal; could any of these affected SDI programs be restructured in such a way as to still allow us to gain useful data?

Answer: During the October 1986 meeting in Reykjavik, Soviet General Secretary Gorbachev proposed a 10-year prohibition on the testing in space of all space "elements" of an anti-missile defense, with the exception of research and testing conducted in laboratories. He also proposed an agreement that in the 3-5 years following this initial 10-year period, the sides would conduct negotiations on the entire question of ABM defense. Secretary Gorbachev was demanding that the United States agree to stricter limits than are provided in the ABM Treaty.

The Soviet proposal would have affected almost all of the SDI program (i.e., kinetic energy weapons; directed energy weapons; surveillance, acquisition, tracking and kill assessment; and possibly the survivability, lethality and key technologies elements of the program). Because of the broad nature of the Soviet proposal, it would be very difficult, if not impossible, to restructure the programs to satisfy the Soviets and still obtain useful data.

President Reagan could not accept a Soviet proposal which placed unrealistic limitations on our SDI program and is just part of a continuing Soviet effort to derail SDI through the arms control proposals they have offered in the context of the Nuclear and Space Talks in Geneva.

ABM Treaty Review

Question: The ABM Treaty is up for formal review this year. What do you recommend as U.S. policy vis-a-vis the ABM Treaty for the review conference?

Answer: The U.S. policy on the ABM Treaty has not changed.

Question. As you know, the defense budget faces many constraints and Congress will likely examine a number of key trade-off issues. Why does the United States need to spend substantial money on long-term strategic modernization programs while at the same time pursuing the SDI program whose stated purpose is to render such nuclear weapons "impotent and obsolete?" If program cuts have to be made, where do you recommend we cut?

Answer. Clearly, the hope for strategic defense is that some day the world will be free from the threat of nuclear missiles. The possibility for that condition is, at best, many years away. For the present and immediate future our nation's security rests upon the capability of our strategic nuclear retaliatory force. We have foregone too long necessary modernization of that force. It is absolutely critical that we invest in necessary modernization in order to maintain a credible deterrent force, one which is comparable to the

Soviet force. At the same time, we must pursue an aggressive research program to explore future possibilities for strategic defense. I believe the Defense budget request contains the minimum essential funds necessary to accomplish both of these objectives. Neither should be reduced.

Question: What is the technological significance of allied participation in SDI? What specific technologies do our allies have that we must have for SDI and can't be developed here at home?

Answer: It was well known, even at the outset of the SDI Program, that technical expertise existed among Allies in their scientific and industrial communities. Participation of Allies can provide access to existing facilities, not now available in the U.S., and teams of researchers with special expertise. At the conceptual level, Allies can offer special insights into their defense objectives and hence theater defense architectures. Therefore, technically, Allied capabilities can reduce both the schedule and/or the cost of the SDI research program as well as providing special capabilities.

Some examples of significant Allied capabilities include: advanced programs involving small, but very specific laser and particle beam research, specialized high quality optical materials and advanced optical fabrication techniques, infrared background measurements, advanced computer research and theater missile defense architecture studies.

MANAGEMENT REFORM: IMPROVED DEFENSE ACQUISITION STRUCTURE

Question: The recent establishment of the position of Under Secretary of Defense for Acquisition represents a major development in the defense acquisition reform movement. Other closely-related actions completed or in progress include the (1) creation of defense enterprise programs, (2) streamlining of acquisition structures in each of the military services, and (3) establishment of the Defense Resources Management Board. What is the status of these major structural reforms and how do they appear to be working out? Have the military services proceeded expeditiously with the task of streamlining their acquisition organization? In each case, could you describe and evaluate briefly their efforts to date?

Answer: In accordance with the FY 87 Authorization Act, the DoD is reviewing several Service Acquisition programs and is planning to designate nine (9) programs as enterprise programs for FY 88. The Department plans to request milestone authorization for three of these nine programs. These programs all represent high departmental priority and promise significant advances over existing capability with relatively low technical risk. These programs will be subject to a streamlined management structure in which the Program Manager reports through the Program Executive Officer directly to the Service Acquisition Executive and the Defense Acquisition Executive. Baseline descriptions for those programs requested for milestone authorization will be sent to the HASC and SASC within 90 days of their official designation.

We have already instituted many of the acquisition reforms recommended by the Packard Commission and directed by Congress. The establishment of the Office of the Under Secretary of Defense for Acquisition and the appointment of an Under Secretary to fill that position will consolidate all of our acquisition activities in one office. The Services have also appointed their senior acquisition executives and they are developing detailed plans for streamlining the acquisition system. We are continually evaluating our present acquisition structure for constructive changes in the way we make procurement decisions.

The establishment of a senior level board to manage defense acquisition resources became effective in June of 1986 when the Deputy Secretary of Defense established the Joint Requirements and Management Board (JRMB). It is planned that the JRMB will be superceded by the Defense Acquisition Board (DAB) chaired by the Under Secretary of Defense for Acquisition. The Vice Chairman, Joint Chiefs of Staff (VCJCS) will assist the chairman of the DAB and provide professional expertise and advice on military requirements and proposed programs. The Service Acquisition Executives, established by directive in July of 1986, will participate in reviewing programs considered by the DAB.

WARRANTIES

QUESTION: 10 USC 2403, which requires warranties on major weapon systems, has been opposed by a number of spokesmen for defense industry. While they acknowledge that the use of warranties is widespread in the commercial world, they argue that the defense sector is not fully analogous. Among the reasons they adduce in support of this position: (1) when the military procures a weapons system, it is the military, rather than the contractor, which determines the amount of testing that is to take place, and the testing is often inadequate, (2) it is quite common for military personnel in the field to abuse their equipment, a situation which is far less likely to occur in the civilian sector.

Do you think that the use of warranties, as prescribed by current law, has been effective, or do you believe that the statute should be amended or repealed?

ANSWER: Our Policy in the Department is only to obtain warranties that are cost-effective. We have had no waivers of warranty application on major systems during 1985 and 1986. Therefore, we can assume that all of our applications have been cost-effective. Since most of our equipment under warranty will start to be delivered in the next few years and actual field experience under warranty coverage is still several years away we will be unable to have accurate data on the actual cost-effectiveness of warranties for some time in the future.

QUESTION: If the latter, how?

ANSWER: We do not believe the statute should be amended or repealed.

JOINT PROGRAM MANAGEMENT

QUESTION: The Department of Defense is often criticized for its inability to coordinate joint development and procurement among the military services. Critics believe that too little effort is made to combine multi-service requirements and develop one item that would satisfy the needs of more than one user. While it is true that a single service has been designated to procure certain items such as standard ammunition and small arms, commercial application vehicles, etc., most high-priced items like helicopters, airplanes, and missiles are designed and procured by the individual services. Often, when several services are persuaded to cooperate on a joint project, the effort breaks down because of interservice bickering, and the program is abandoned or left to one service to develop alone.

In recent years, with emphasis shifting to joint planning and operations involving all of the military services, there is more reason to expect the military services to cooperate in joint development programs, and yet this does not seem to be the case. Critics believe that effective joint development and procurement is extremely unlikely under the present DoD organization which allows the military services to operate relatively unilaterally in maintaining their individual budget prerogatives.

How would you respond to critics who say that the military services often fail to work together to develop and procure joint items, even when many of the specifications and requirements are relatively alike?

Answer: DoD frequently is criticized for not pursuing more joint programs. In fact, we have a large number of ongoing cross-Component and cross-Service activities. Many do not, and need not, receive extraordinary top management oversight. However, some problems arise because joint programs are programmed and budgeted by the individual Services. Although the Joint Chiefs, the Defense Agencies and the Office of the Secretary of Defense (OSD) all contribute to the decisions that result in guidance to the Services in programming and budgeting joint programs, the Services ultimately control the dollars day-to-day. Historically, they have given low priority to joint programs in the budget allocation process.

When Congress dictates reductions in defense resources, a general belt-tightening must occur. The Services usually are given the latitude to specify which programs are to be reduced. Joint programs often are offered up and usually become the victims. Decisions are subject to debate and deliberation, but the result is that OSD must strongly defend the joint programs year after year, causing a massive consumption of staff resources and often temporary disruption of those joint programs being debated.

The creation of the Under Secretary of Defense for Acquisition as the senior full-time DoD official responsible for overseeing the entire acquisition process will add discipline to our Planning, Programming and Budget System (PPBS). This added discipline along with continued emphasis on joint programs by OSD will alleviate many of the problems experienced in the past.

DETERMINING JOINT REQUIREMENTS

Question: What are the provisions within the Department of Defense to screen new programs and projects to see if there are joint requirements and to review the feasibility of turning programs into joint programs?

Answer: As players in the DoD Planning, Programming and Budgeting System (PPBS), the Services examine all new start candidates and propose joint program efforts. Furthermore, during the Program Reviews by the Office of the Secretary of Defense (OSD), all new programs are subjected to additional intensive review for cross-Service application.

As a result of the Packard Commission, we are creating an environment for improved service coordination, improved long range planning, and an acquisition process tied more closely to the PPBS. We will be making more explicit tradeoffs between requirements generated by the users and the need to control cost and schedule by the program developers. This will greatly improve our ability to match-up cross-Service requirements which can be satisfied by joint programs. These tradeoffs require a greater involvement and better understanding of the cost and schedule impact of stated requirements by the users as programs move through the development process. This can only be accomplished through a closer working relationship and better communications between the uniformed military and the DoD acquisition community.

We believe we can achieve this revived partnership through the newly established Joint Requirements Oversight Council (JROC) chaired by the new Vice Chairman of the Joint Chiefs of Staff and through the Vice Chairman's membership on the Defense Acquisition Board (DAB) which replaces the Joint Requirements and Management Board (JRMB), formerly the Defense Systems Acquisition Review Council (DSARC). Much more emphasis can be expected on joint programs in the future.

QUESTIONS SUBMITTED BY SENATOR SASSER

SRAM II

QUESTION: Mr. Taft, concerns were raised in Congress last year over the cost of the SRAM II program. Since the cost estimates were sent to the Hill last year, however, a competition has been held and it is my information that as a result of competition, at least $500 million will be trimmed from the $3 billion total program. I think there are two lessons the Department of Defense can learn from that exercise, Mr. Secretary. First, competition saves money. And second, it pays to do business in Tennessee. The Boeing Company which won the SRAM II competition is going to produce the missile in Oak Ridge. So, Mr. Secretary, I hope you will keep these two lessons in mind as you look to future procurements. Can you tell us for the record specifically what savings are now anticipated in the SRAM II program compared to the estimates given the Committee last year?

ANSWER: The use of competition by the Air Force did not begin with the SRAM II. Competition has always been the preferred method of acquisition, well before the Competition in Contracting Act (CICA) was implemented in 1985. For instance, the AF employed competition in the YF-16/YF-17 lightweight fighter fly-off in the early 1970s. The alternate fighter engine (AFE) competition, in which the Air Force actively developed competition, is estimated to save $4 billion over the 20 year program life. Prior to CICA, the Air Force historically competed an average one-third of eligible contractual dollars awarded. With CICA, the Air Force has re-energized its competition program with outstanding success. In 1985, the Air Force competed over 39 percent of the contractual dollars awarded; in 1986, we competed over 50 percent; and for 1987, our goal is 55 percent. The Air Force remains committed to competition--it continues to prove to be a valuable acquisition tool for lowering costs.

Last year, prior to the SRAM II competition, we estimated total program cost to be approximately $3.064 billion. This year, after the competition and subsequent to an independent cost assessment, we estimate the program cost to be $2.465 billion. This amounts to a reduction of approximately $600 million.

QUESTIONS SUBMITTED BY SENATOR DECONCINI

AH-64 (APACHE)

Mr. Secretary, the Soviets have fielded a large array of attack helicopters, from Afghanistan to Nicaragua. This merely shows that both superpowers believe that the attack helicopter will play a pivotal role in any future land battle.

The APACHE Attack Helicopter was developed in recognition of limitations with the COBRA performance. The APACHE represents a significant upgrade in firepower, performance, and survivability. Additionally, it provides the Army with the critical mobile and lethal antitank capability. APACHE can operate worldwide, in a myriad of environments, and can be quickly deployed. The FY 87 budget provided for procurement of 144 APACHE helicopters at the economic rate of 12 per month. I consider this program to be imperative to our stategic defense and to continually upgrade operational capabilities and for the safety of our troops.

QUESTION. What is the current status of this program?

Answer. The Army has taken delivery of 196 AH-64's as of January, 1987. The contractor continues to deliver at a rate of 12 per month as specified in the contract.

QUESTION. How can we continue to put it in our highest budget priorities?

ANSWER. The Army and DoD maintain the AH-64 as a high priority system. Unfortunately, the AH-64 procurement has been reduced from 675 to 593 along with other combat systems as a result of resource constraints.

QUESTION. I would appreciate an evaluation and breakdown of this through the next three years. What is the prognosis for the APACHE and isn't this program distinct from the LHX?

ANSWER. The Army has negotiated Firm Fixed Price (FFP) contracts for the Fiscal Year 1986 and Fiscal Year 1987 procurements and an option in Fiscal Year 1988. The Army training base has been filled and three battalions are equipped. The AH-64 is certainly distinct from the LHX program. The LHX is intended to replace our aging AH-1S, OH-58 and UH-1 fleet. The AH-64 will remain a heavy anti-armor system throughout its service life.

REDUCTION IN OFFICER END STRENGTH

Question. In the Authorization Bill of 1987, as I understand it, we have mandated a program on officer reduction in strength. This will reduce the number of officers across the Services by one percent in 1987, two percent in 1988, and three percent in 1989. What does this mean in terms of actual reductions in numbers and how many of these would be RIF's? Could you pass on the conclusions of the study on the effects of this reduction to my staff?

Answer. In order for DoD to achieve the prescribed active duty commissioned officer end strength by the end of FY 87 of 99 percent of the actual FY 86 officer end strength, the Services will reduce their collective officer strength by 3,088. In FY 88, the actual reduction would be 6,176, and in FY 89 the actual officer reduction would be 9,264.

Based on input from the Services, the number of RIF's (involuntary discharges from active duty of reserve officers effected to achieve a reduction in force) will be quite small in FY 87 as the Services are planning to reduce accession flow and utilize voluntary separation of reserve officers from active duty to achieve a majority of the required cut. However, if the reductions have to be accomplished in FY 88 and 89, RIF's will probably account for about one-half of the reduction each year.

When the results of the ongoing officer requirements study are available, we would be pleased to share them with your staff. The Secretary wants to use the results as a means of opening dialogue with the appropriate congressional committees on what, if any, reductions the Military Services can make without impairing our defense readiness posture.

THE NEW GI BILL AND ARMY RESERVE COMPONENT RECRUITING

QUESTION: I would like to commend and salute the Army on meeting their requirements in recruiting high school graduates. I understand this is over 90 percent. I would like to ask how important the GI Bill is in providing educational incentives for the Reserve component and how this ranks as a tool to recruit?

ANSWER: The Reserve Component New GI Bill provides educational incentives which are a significant improvement over the previous program. Education benefits are the most important personnel policy we have to recruit a quality Army.

The GI Bill is proving to be as popular with Reservists and Guardsmen as it is with their active counterparts. Reserve component soldiers who join a unit for a six year obligation are eligible to begin using benefits after successfully completing six months of service and skill training. Through January 1987, over 29,000 Army Reserve components soldiers have applied for education benefits. Annually, Reservists and Guardsmen are using the New GI Bill at a rate of over three times that of the previous Reserve component program.

Further, recruiting results show that the New GI Bill is a powerful recruiting tool for improving quality and lengthening terms of enlistment. For example, USAR recruits who scored in the top half of the Armed Forces Qualification Test increased 24 percent and those who enlisted for six years increased 28 percent when comparing the first year of the New GI Bill to the year prior. Comparing the same periods, ARNG and USAR recruits who were high school graduates increased 13 and 9 percent respectively.

LHX (LIGHT HELICOPTER FAMILY)

QUESTION. How is the LHX helicopter development program proceeding and for what date is full-scale development scheduled?

ANSWER. The Army's Light Helicopter Family (LHX) Program is proceeding on schedule for entry into Full Scale Development in January 1988.

The results of the Advanced Rotorcraft Technology Integration (ARTI) efforts in Fiscal Years 1985 and 1986 and the continuing risk reduction efforts being completed during Fiscal Year 1987 will allow the program to enter Full Scale Development with all technical areas at moderate risk or less.

A parallel effort to develop a new, high technology 900 KW (1200 shaft horse power) turbine engine is proceeding on cost, on schedule, and performing above expectations in the third year of a five year, fixed price Full Scale Development effort.

ARMY PRIORITY IN DOD PROGRAM

QUESTION: In regard to the overall budget picture, we now have projected the smallest Army in 38 years. President Reagan discusses the elimination of nuclear weapons and Senator Nunn over at Armed Services intelligently stresses the need to evaluate the capability and long-term strategy for conventional weapons. When can we begin to address these concerns with near-term readiness balanced with long-term strategy and procurement, especially for the Army?

ANSWER: This is not the smallest Army we have had in the last 38 years. Total Army funding has increased in real terms in every fiscal year since FY1976 with the exception of the congressionally directed funding reduction in FY1986 that resulted in -2.1% real growth. Although it is true the Army has chosen to hold active strength constant since 1984, total Army endstrength--including reserve and guard forces--has increased every year since FY1979.

In preparing our budget submission to Congress, we carefully review the fundamental tradeoffs between nuclear and conventional forces and between near-term readiness, long-term development, and major systems procurement. The Department of the Army budget submission reflects our judgement as to the proper balance among those competing needs within the resources available for national defense.

Questions Submitted by Senator Stevens

Question: Do you agree with Mr. Gaffney's statement that a credible missile defense system can be procured for $50 billion?

Answer: We believe that $40 to $70 billion is an appropriate, albeit preliminary, estimate of the rough order of magnitude cost of the initial phase of strategic defenses. Since we are still some years away from having specific systems to consider, it would be premature to attempt to develop detailed cost estimates for architectures based upon these unspecified systems. In a more general sense, however, I believe that we will find that the cost of a defense which would significantly enhance deterrence to be affordable.

Question. Do you agree that an anti-missile defense system is of greater value than additional nuclear warheads?

Answer. Yes. While for the foreseeable future it will be necessary to continue to modernize our strategic offensive forces, our near term arms control objective is drastic reductions in strategic offensive forces. We expect to pursue both arms control negotiations with the Soviet Union and the development of strategic defenses to bring about the reduction and eventual elimination of offensive ballistic missiles.

Question. Is there a reasonable trade-off between investing in a deployable missile defense system and continuing to upgrade and modernize our strategic nuclear forces?

Answer. Our research into the feasibility of a defense against ballistic missiles has not yet produced a system or systems for our consideration as an alternative to a modernized strategic nuclear force. Until such time as a comprehensive defense has imprudent indeed to neglect the modernization and upgrade of our strategic nuclear forces.

Question. What is the difference in deployment schedule between an anti-missile defense system and the full inventory of Small ICBM's? Which can we deploy first?

Answer. An initial operating capability for the small ICBM will be achieved in FY92. There is, on the other hand, no deployment schedule for a strategic defense system, although we continue to believe that an initial defense capability is attainable by 1993 or 1994.

DEFENSE FINANCIAL AND INVESTMENT REVIEW

Question. Your testimony today and that of other Department of Defense witnesses before other Committees cites 3% growth after inflation as sufficient to "Maintain the momemtum" of the defense program. How did you arrive at this 3% standard?

Answer. Many have stated that this DoD budget is the most realistic budget that has been submitted by this Administration. While it may be more realistic from a fiscal standpoint it certainly is not the most realistic budget from a national security vantage point. There is no question that a 3 percent increase in the DoD budget will not reduce all the risks but it should keep the risks to a minimum. Last year the Budget

Resolution provided for 3 percent growth each year. The Department has made the tough choices to get the budget total to 3 percent growth and stay within the level approved by the Congress.

Question. What impact would a zero real growth budget have on the defense program?

Answer. The President's budget requests three percent real growth for the FY 1988/FY 1989 defense budget. This is considered the minimum amount necessary for national security and does not make up for the large declines in the defense budget since 1985. Zero growth in the defense budget for FY 1988 and FY 1989 would require additional program reductions valued at $37.8 billion. These program reductions would be in addition to the large congressional cuts in the past two years and the programs that were eliminated during the summer and fall budget review because of funding constraints.

Question. How would you prioritize the programs to be preserved in case of significant reductions in the defense budget request?

Answer. Our priorities have remained constant under this Administration. First and foremost, we have sought to provide for our military personnel, to ensure that they are properly compensated and adequately trained for the sacrifices we demand of them and their families. We have emphasized the need to pursue Strategic Defense Initiatives as an alternative to a defense based on mutual annihilation. SDI is an important force in achieving an arms control agreement. Strategic modernization continues to be a priority, and with the deployment of the MX and the B-1B we have restored balance to our nuclear TRIAD. These are areas of highest priority in the defense program. However, the budget before the Congress reflects a balanced defense program at the minimum level required for our national security. Making further reductions to the defense program would involve choices for which neither the President nor the Secretary of Defense would want to be responsible.

Question. What differences or departures from last year's budget request would you highlight as most significant?

Answer. There is nothing very new in this defense budget. It represents a continuation of the program put in place by this Administration six years ago. The most significant aspect of this year's budget is that it requests authorization and appropriations for two fiscal years, FY 1988 and FY 1989, and at very constrained levels. We seek additional program stability through a two-year budget. And, we have made the hard choices to keep the funding requested at the minimum level. We hope that the Congress will recognize our efforts by supporting two-year budgeting and by providing these minimum levels of defense funding.

Question. Do you believe that there is a mismatch in this year's budget request between requested Budget Authority and Outlays?

Answer. FY 1988 outlays are based on the most current execution performance of new budget authority and spending from prior year balances and there is not a mismatch between budget authority and outlays in this year's budget request.

Question. Recognizing that many of last year's outlays transfers were one-time adjustments that will not be possible this year, what other management initiatives might you consider if outlays savings become critical in the fiscal year 1988 bill?

Answer. The President's Budget meets the $108 billion deficit target for FY 1988 that is required by the Balanced Budget Act. Therefore, if the President's programs are approved, it should not be necessary to manage or curtail DoD outlays. About 41 percent of the outlays in FY 1988 will come from prior year budget authority and programs already under contract. The Department reviewed its management practices in the area last year and implemented the actions directed by the Congress. About 46 percent of the outlays in FY 1988 will come from pay and pay related accounts. The Department has included the change in the military pay date in the current budget estimates. Any substantive savings in pay would require military and/or civilian strength reductions and not management initiatives. Finally, about 13 percent of the outlays in FY 1988 will save from new budget authority. The Department could exercise some control over the execution of new program but this is inefficient and would probably result in increased spending later to save outlays in the near-term.

Question. Realizing that defense growth has been requested in the highest rate of outlay accounts, how would you prioritize Congressional action to reduce those accounts with the greatest outlay return?

Answer. The highest rate of DoD outlays from new budget authority occurs in the military personnel accounts and in the operations and maintenance accounts which fund readiness. These continue to be the areas of highest priority. I believe we must treat our military personnel fairly for the sacrifices that they make and I do not believe we should put them in situations where they are not ready to fight and to win. For these reasons, I cannot prioritize adequate compensation, readiness and sustainability for Congressional reductions.

PERSONNEL ISSUES

Question: How did you determine 4.3 percent as the level for the military pay raise for next year?

Answer: Military pay has fallen to 9.4 percent behind the private sector. The 4 percent pay increase requested for FY 1988 and the 4.3 percent requested for FY 1989 will keep our Service members from falling further behind. This pay raise will allow acceptable force quality to be maintained and indicates that we want to be fair by providing rates of pay that will enable Service members to maintain a standard of living commensurate with their private sector counterparts.

The pay raise will also signal that we care about their quality of life and will help avoid a repeat of the manpower crisis of the late 1970s.

Question. On what basis did you determine that your civilian workers are worth only half the pay increase that you are providing to military personnel?

Answer. The President's Budget for Fiscal Years 88 and 89 contains an economic assumption which projects a short range forecast of a 2% pay raise in 1988 and a long range forecast of 3% in 1989. These assumtions, established by OMB, are used by the Department to compute estimated budget requirements for salaries and related expenses.

Actual changes in pay for the General Schedule Federal work force will be based on the

President's decision to accept his pay agents recommendations or the submission of an alternate plan for Congressional consideration.

Question. Do you foresee the Department of Defense having difficulty keeping quality civilian employees unless their pay benefits keep pace with the military?

Answer. Keeping pace with military pay is not a factor in the Department's ability to recruit and retain quality civilian employees. Successful recruitment and retention of civilian employees is based on the ability to compete with private sector organizations in the civilian labor market. Generally, the Department has been successful in recruiting and retaining well-qualified employees in nearly all civilian occupations. In fiscal year 1985, for example, the Department's voluntary quit rate was only 4.4%. The principal difficulty lies in the inability to compete successfully with the private sector in certain key disciplines and for individuals who have highly desirable specialized skills or training. The current compensation system simply does not provide the fexibility to address these problems. In this regard, the Department strongly supports the Administration's proposed Civil Service Simplification Act, which would extend the concepts of the Navy's "China Lake" project to other organizations throughout the Federal sector.

QUESTION: What motivated the Department of Defense to recommend changes in the GI Bill benefits and funding methodology?

ANSWER: The Department of Defense (DoD) proposes to (1) restructure the basic benefit of the New GI Bill to provide a benefit that varies with the term of enlistment, (2) continue targeted incentives (known as "kickers") and (3) transfer funding of the basic benefit from the Veterans Administration (VA) to DoD.

The Educational Assistance Test Program, which we conducted during 1981, confirmed that educational benefits, if sufficiently generous, can attract high quality people to the Armed Forces. A separate study, conducted by the Congressional Budget Office in March 1982, validated the results of the Educational Assistance Test Program and also pointed out that enlistments of high school graduates with above average aptitude test scores increased with generous education benefits. The study found, however, that educational benefits are much less cost effective than targeted incentives such as enlistment bonuses. Further, the study pointed out that negative retention effects may offset gains made in recruiting.

We believe the New GI Bill has the potential to be an effective recruiting incentive. For this reason, we support making this program permanent. We believe that it should be a targeted program designed to encourage longer tours of service and should be used in conjunction with other recruiting incentives targeted toward hard-to-fill skills.

Placing both policy and fiscal responsibility for the New GI Bill with the DoD will permit a concentrated approach to the use of educational benefits emphasizing their effectiveness as a recruiting incentive.

QUESTION: Do you see these changes in the GI Bill impacting the military's ability to attract and retain quality personnel?

ANSWER: Of the proposed changes to the New GI Bill, only one would have an impact on recruiting. That change would establish different levels of the basic benefit for different tour lengths. This would make the program more cost effective by encouraging young people to enlist for longer terms of service, and consequently reduce the numbers of new recruits needed annually.

QUESTIONS SUBMITTED BY SENATOR WEICKER

DEFENSE FINANCIAL AND INVESTMENT REVIEW

Question. Secretary Weinberger says that the President's FY 1988-92 five-year defense program "is based on solid and consistent planning for national security resources." Is this a carefully crafted program based on "hard" military requirements designed to support our national security objectives?

Answer. The five year defense program evolves from the internal DoD Planning, Programing, and Budgeting System (PPBS), a continuous process of systematic review and consideration of alternatives to meet national security objectives. Integral to this process is the development of the Five Year Defense Program (FYDP), an internal planning document. The FYDP provides an interface between major defense mission programs that support national security objectives and goals and the appropriation structure required to present defense funding requirements to the Congress. Upon completion of the annual internal planning and programing cycle, a budget "scrub" is conducted on the fiscal year for which requirements are to be proposed for inclusion in the President's budget. During his deliberations on the budget, OMB recommends and the President determines the ultimate funding levels that are presented in the budget. For DoD, as for other federal agencies, the program content of budget years is then adjusted, as necessary, to conform to the totals provided. The outyear estimates contained in the internal DoD FYDP are not revised to reflect the President's budget figures until the annual planning and programing reviews begin. At that time, the funding levels specified for the outyears in the President's budget will be incorporated in internal planning efforts.

Question. There is an internal DOD document, known as the FYDP--The Five-Year Defense Program. It is prepared by your comptroller. Only a "topline" summary is reported to Congress annually. The fiscal year 1988 edition of the five-year program is in the final stages of preparation. It is the most important single resource planning document in the Pentagon. Are you familiar with that document, and why isn't it provided to Congress?

Answer. The Five Year Defense Program (FYDP) is an internal DoD document. While it is used to develop budget estimates for the President's budget in the "near term", the outyears do not reflect budget quality estimates. Because it is an internal resource planning document and does not currently reflect the outyear budget estimates projected in the President's budget, it would be of letter use outside the Department.

Question. Sources inside the Pentagon tell me that the total funding projected for FY 1988-92 in the internal DOD five-year defense program exceeds the "top line" summary amounts reported Congress by Secretary Weinberger (page 98 of his FY 1988 report) by about $83 billion. That is a very substantial difference indeed--equivalent to the entire DOD budget in 1975. That's a vast discrepancy, indicating a fundamental flaw in resource planning. Are you aware of this discrepancy?

Answer. Part of the Senator's confusion stems from the fact that the internal DoD FYDP estimates he presents are stated in terms of Total Obligational Authority (TOA) rather than Budget Authority (BA). That accounts for the entire discrepancy in the budget years, FY 1988 and FY 1989 - the difference being receipts and other financing adjustments. And, as stated in response to earlier questions, the internal plan has not been adjusted to reflect the President's budget projections for the outyears. As

Senator Weicker's table demonstrates, the budget years have been scrubbed to achieve the funding levels proposed in the President's budget. As the next internal defense planning and programing cycle begins the outyears will be adjusted to reflect the funding constraints of the President's budget.

Question. To the best of your knowledge, was the FY 1987-91 five-year defense program presented to Congress last year fully consistent with the internal DOD FY 1987-91 five-year defense program?

Answer. Again, the internal planning document would not agree with the funding levels projected for the outyears in the President's budget because of the time lag built into the PPBS cycle within the Department.

Question. I have a copy of the summary page from the internal DOD FY 1987-91 five-year defense program, and it shows that funding projected FY 1987-91 in the internal DOD five-year defense program exceeded the amount reported to Congress (page 101 of Secretary Weinberger's FY 1987 report) by $63 billion. How do you explain that?

Answer. The discrepancy claimed here is identical to that discussed earlier. As the table shows, the budget year, FY 1987, has been scrubbed to reflect the President's budget. Again the difference is receipts; the budget being in BA and the FYDP being in TOA. The outyears had not been revised at that time. However, a comparison of the FY 1990 and FY 1991 columns presented in the President's budget last year with the estimates currently shown on the Senator's table for DoD internal estimates under the FY 1988-1992 program demonstrate that the internal planning document had been adjusted to reflect the President's projections. Given that the FYDP is a rolling record of program and resource planning within the Department, the discrepancies identified by the Senator are a factor of time lag in the PPBS cycle rather than an effort to "keep two sets of books."

Question. Is the Pentagon keeping two sets of books--one for internal use and one for Congressional consumption?

Answer. As stated previously, the FYDP is a rolling record of program and resource planning within the Department. The discrepancies identified by the senator are a factor of time lag in the PPBS cycle rather than an effort to "keep two sets of books." This situation is not unique to Defense-other agencies have outyear plans as well.

Question. Congress has the responsibility under the Constitution to provide appropriations for national defense. The decisions we make this year will have ramifications far into the future. In order to make rational decisions, we must have a clear understanding of the long-term financial commitments envisioned by your department. The discrepancies noted above raise fundamental questions about the credibility and value of the core DoD resource planning document. If long-term budgetary data is flawed and inaccurate, then the viability of the strategy is open to question. How could you avoid that conclusion?

Answer. The Five Year Defense Program (FYDP) has been an internal defense planning document since 1961. It is an integral part of the Planning, Programing, and Budgeting System employed by the Department. It is extremely useful in linking mission-oriented national security requirements to resource requirements and stating them in budgetary terms necessary for authorization and appropriation review by the Congress. However, only the near-term estimates undergo the detailed budget scrub that results in the budget presented to the Congress. To perform such a detailed review of the outyears is unwarranted. The content of the outyears will be adjusted to reflect fact-of-life events such as congressional action on the budget years, technological breakthroughs, changes in the world situation, and the risks to our national security. The PPBS cycle and the FYDP have been structured to accommodate just such situations. The fact that the FYDP, at this point in time, does not yet reflect the budget projections in the President's budget for the outyears in no way indicates that it has no value as a DoD resource planning document.

SUBCOMMITTEE RECESS

Chairman STENNIS. Thank you very much. We appreciate that attitude, and the attitude you have, too. To all the attendants here, we appreciate your being here.

Thank you very much. We will take a recess, subject to the call of the Chair.

[Whereupon, at 12:03 p.m., Tuesday, February 3, the subcommittee was recessed, to reconvene at the call of the Chair.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 1988

TUESDAY, FEBRUARY 18, 1987

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 9:31 a.m., in room SD–192, Dirksen Senate Office Building, Hon. John Stennis (chairman) presiding.

Present: Senators Stennis, Johnston, Leahy, Sasser, DeConcini, Stevens, McClure, Kasten, and Cochran.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE AIR FORCE

STATEMENT OF GEN. JOHN T. CHAIN, JR., COMMANDER IN CHIEF, STRATEGIC AIR COMMAND, AND DIRECTOR, STRATEGIC TARGET PLANNING, U.S. AIR FORCE

AIR FORCE STRATEGIC DEFENSE PROGRAMS

OPENING STATEMENT OF CHAIRMAN STENNIS

Chairman STENNIS. All right, ladies and gentlemen, our committee will please come to order.

This is a closed session. All of it is closed. These are important weapons that we are going to be talking about, so we want to follow the rules rigidly now.

A list of the people here is being made by the staff members of our subcommittee, and we will be responsible for that.

General, I would ask that you and someone else that you pick be responsible for your group. Those who are not with the group have to be identified. Their presence has to be justified.

I will give you a few minutes to check on that.

Gentlemen, as I recall, there is nothing pending on the floor of the Senate, no rollcall votes or anything like that, so we do not expect interruptions. Therefore, we welcome the chance for you to utilize the time well.

WORK OF APPROPRIATIONS COMMITTEE

I have a brief statement. For emphasis, I want to mention what I think is a highly important matter, and it is up to the membership of the Appropriations Committee of the U.S. Senate to avoid letting the Senate committee be whittled away because of one delay that follows another. We wind up by more or less canceling out the committee and the committee's work and putting everything in one bill and passing it as a continuing resolution. I don't think the Senate can continue to exist as an important branch of the Government in our system unless we remedy that situation.

It falls on us, those of us who are in the committee now, its members, to protect it. We want to cooperate with others fully. We want to cooperate with the Budget Committee, which has a hard job. But at the same time, we are going to preserve our Appropriations Committee, and our integrity and responsibility. If we do not, we are not doing our simple, clear-cut duty that has been followed during the 200 years that is the history of the Senate.

I have a brief statement, members of the committee.

First, I want to assure our visiting witnesses here, who are in positions of high responsibility, that we are glad to have you here. General, we have had just a word of welcome with you. I was thinking about the responsibility that goes with assignments like the one that you have.

I imagine you are well prepared. We may be calling on you several times, not just today, but several times more.

All right, gentlemen. I will read my statement briefly and will give you each a chance to respond in any way before we start on the testimony.

STRATEGIC PROGRAMS

This hearing is primarily around three strategic programs: The B–1 bomber, the Small ICBM Midgetman, the MX missile, and the basing mode. The fiscal year 1988 budget includes approximately $5 billion for these programs, about 15 percent of the total strategic funding request.

The budget request of $37.2 billion for all strategic programs, an increase of 13.5 percent, is in one of the fastest rising portions of defense spending. Each of these three programs continues to be very controversial. The B–1 bomber has been debated for 10 years. It was canceled in the 1970's, but reconsidered. An agreement was reached to buy 100 bombers. Each aircraft costs between $180 and $200 million to build.

Now, after all the bombers have been bought, we discover that there are several problems which could threaten its ability to carry out its intended mission. We must decide if we should put more money into this program to fix all the problems or simply wait for its replacement.

Let me pause to ask if a full check has been made of all of those who are here?

Mr. SULLIVAN. Yes, sir.

Chairman STENNIS. Very well. Let me continue. Should we simply wait for its replacement by the advanced technology bomber?

Like the B–1, the Congress has frequently debated the MX program. The missile is currently being procured, and 50 will be deployed in Minuteman silos. There has not yet been agreement on a basing mode for the second 50 missiles.

RAIL GARRISON BASING MODE

The fiscal year 1988 budget includes research funds to develop a rail garrison basing mode for the MX missile. The proposal looks promising. But many details need to be discussed and examined, including the survivability of the basing system.

SMALL ICBM MIDGETMAN PROGRAM

The third program to be discussed is the small ICBM Midgetman program. The budget request includes nearly $3 billion to develop a single warhead missile deployed in a hardened mobile system.

There are those who question the affordability and need to build a single warhead system in addition to the MX program.

SPECIAL ACCESS CLASSIFIED BRIEFING

Let me add that we will have a special access classified briefing following this hearing to discuss the implications of the B-1 program on the advanced technology bomber program.

We will probably get to that this morning, or certainly today. That hearing is going to be held very near where we are sitting now, in a nearby room.

GENERAL CHAIN WELCOME

It is clear that there are many important issues to be resolved. To help us in our review, the committee is pleased to welcome the Commander in Chief of the Strategic Air Command, Gen. John Chain, to provide an in-depth look at these three programs.

General Chain is the person in charge of the operational oversight of our ICBM and bomber forces.

General, I am sure you understand that the budget deficits which are facing the country require the Congress to carefully scrutinize all spending programs to make sure they are needed and are cost effective.

We understand that you are here today to support these programs. But if you can help us to identify savings in these programs, it would be greatly appreciated.

Your duty on the whole is not just to get the money, but it is to justify the money and give us grounds to stand on. It is also a part of our deficit. Of course, you did not cause it, but it belongs to you in part. And you will be a key man in helping to clean it up.

I have rather consistently supported the military programs, even into the big money. But even one who is as hard to impress as I am is beginning to see that we have to bear down harder and try harder generally. We cannot let this thing run away with us, and cause us deficits. We have deficits in our trade balances and in areas which are presently beyond my understanding, but these are all highly important.

I believe there is room where we can improve. If I were going to make any criticism of the military, it would be on the point that I believe if they tried hard, with all of their talent, they could make a dollar go farther than they do, and would get more return.

Now I am not saying that you are careless and indifferent. Not at all. But if you try harder, I think you can make the money give us a greater return.

I have seen a lot of the costs go down, when there was a special effort made to hold them down. That is true in other affairs, in the private affairs of life, too.

Really, I think we all take it very seriously, and I think the military itself does. But, it is a field that must have attention.

SENATOR STEVENS INTRODUCTION

Senator Stevens, of Alaska, is very well qualified in these fields. He is of the so-called minority now. That will give him a chance to rest up a little. But I will call on him next now to see what he has on his mind and any response he would wish to give.

Senator STEVENS. Thank you, Mr. Chairman.

I am delighted to see General Chain here today.

Is your statement a classified statement, General?

General CHAIN. The statement is unclassified.

Senator STEVENS. The statement itself is unclassified, then?

General CHAIN. Yes, sir.

Senator STEVENS. Thank you.

I think the chairman is right. We have some very difficult problems. I echo what he says, that we need to straighten out some of the apparent inconsistencies in the presentations that have been made this year in order to have our ability to continue a bipartisan support for this budget, particularly this portion of it.

I look forward to your testimony and do have some questions which I will ask later, Mr. Chairman.

Thank you very much.

Chairman STENNIS. Thank you.

RECOGNITION OF SENATOR JOHNSTON

The Senator from Louisiana is recognized.

Senator JOHNSTON. Mr. Chairman, I have no statement except to associate myself with your remarks. Other than that, I have no statement.

Chairman STENNIS. Thank you very much.

GENERAL CHAIN OPENING COMMENTS

General, we have already told you that you have a warm welcome here. You have a good reputation in this field, which has already reached us. Please proceed in your own good way.

I have read your statement and it is classified, I believe?

Oh no, it is not, correct?

General CHAIN. The statement is unclassified, sir. But I am going to give a presentation in a few moments which will be classified.

Chairman STENNIS. Well, that will be a little later. You want to go on with your statement now?

General CHAIN. Yes, sir.

Chairman STENNIS. All right.

Please proceed.

Pardon me for a minute. Senate McClure has arrived. He is usually present.

We are glad to have you here. Do you have anything that you want to say, you or Senator Cochran?

Senator McCLURE. Thank you, but no, sir.

Senator COCHRAN. Thank you, Mr. Chairman. I have no statement to make.

Chairman STENNIS. We are just getting started.

Go ahead, General.

PREPARED STATEMENT

General CHAIN. Mr. Chairman and members of the committee, this is my first opportunity as the Commander in Chief of the Strategic Air Command and the Director of the Joint Strategic Target Planning Staff to appear before Congress.

I welcome the opportunity to speak on the matters that are vital to long-term security interests of our country.

I have submitted my formal statement for the record. I would like to say now, however, that I am particularly interested in discussing the Peacekeeper Program in rail garrison basing, the small ICBM, and the newest bomber, the B-1B, which has entered operational service.

[The prepared statement of General Chain follows:]

PREPARED STATEMENT OF GEN. JOHN T. CHAIN

COMMANDER IN CHIEF STRATEGIC AIR
COMMAND, USAF

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE: I welcome the opportunity to discuss strategic issues that are essential to the continued success of our efforts to preserve the peace and keep Americans alive and free. As the Commander in Chief of the Strategic Air Command, I am responsible for the daily readiness and combat capability of forces that provide an extensive portion of the deterrent shield that guards the free world. SAC operates the ICBM and bomber legs of the strategic nuclear TRIAD and also possesses substantial conventional capability in its long-range bombers, aerial tankers, and airborne reconnaissance aircraft. SAC assets enable the nation to project enormous conventional or nuclear force on a worldwide basis and operate successfully at any level of conflict.

Also, as the Director of Strategic Target Planning, I oversee the development of the integrated operational plan for employing our nation´s strategic nuclear forces and coordinating the application of those forces with theater nuclear plans. It is with this perspective that I offer comments on the military capabilities necessary to effectively underwrite our basic strategy of deterrence and ensure the continued security of our great nation.

US STRATEGY OF DETERRENCE

For over 40 years, deterrence based on highly effective war-fighting capabilities has been completely successful in preventing nuclear war and major conventional conflict with our principal adversary, the Soviet Union. The overriding national security objective is to deter nuclear conflict by fielding the necessary combat capability to preclude any Soviet perception that they could successfully attack the United States or our allies. America´s strategic nuclear forces must ensure that any potential attacker is faced with unacceptable risks and outcomes from his aggression and is, thus, deterred from attacking or attempting political coercion. Should deterrence fail, we are to defeat the aggression, deny the enemy his war aims, and end the conflict on terms favorable to the United States and our allies at the earliest practical time.

The US strategy of deterrence has necessarily evolved in response to a changing strategic balance and a better understanding of Soviet war aims and force objectives. From the late 1940s through the 1950s, the US had superior nuclear forces and relied on a strategy of massive retaliation to deter any aggression against the US and our allies. By 1960, the Soviets had begun to expand their nuclear arsenal. This fact, combined with extensive Soviet conventional forces, brought into question the credibility of massive retaliation.

To more properly deal with the multifaceted Soviet threat and prevent aggression across the conflict spectrum, the US introduced a new deterrent strategy of flexible response in 1961. This strategy requires the American military to possess the broad spectrum of combat capabilities necessary to deny the objectives of a potential adversary regardless of the forces he employs or the level of conflict he chooses. For credible deterrence, we must convince the enemy that we have the means and the will to respond flexibly to any aggression, conduct effective combat operations at the appropriate level of conflict, defeat his war aims and secure US and allied vital interests. Thus, we need flexible weapon systems with a full range of capabilities that can be employed across the spectrum of conflict to counter aggression.

Unfortunately, a mismatch developed between US nuclear strategy and capabilities. During the 1960s and most of the 1970s, we were unwilling to pay for the requisite nuclear capabilities to fully implement our flexible response strategy. Instead, we relied upon our capability to inflict massive retaliatory damage with weapons of limited accuracy upon relatively vulnerable forces and economic structures. We assumed the Soviets shared our view that deterrence was best served by these less accurate, "soft target" weapons that promised assured destruction in the event of nuclear conflict.

However, Soviet force developments reflected a different and more ominous set of objectives. Beginning in the 1960s, the Soviets initiated a long-term, persistent drive for military superiority. By the mid-1970s, the Soviets were fielding an extensive array of modern offensive nuclear weapons with significant counterforce capabilities and vast, strategic defenses that reflected an attempt to acquire a counterforce first strike capability in support of a warwinning strategy. Advances in accuracy and throw weight have given the large Soviet ICBM force a significant edge over US forces in the prompt capability to attack hardened targets. At the same time, a massive program to harden Soviet nuclear forces, command and control and leadership facilities improved their survivability against US retaliation. Aggressive development of strategic defenses produced an operational antiballistic missile (ABM) system around Moscow and a proliferation of Soviet radars, control centers, surface-to-air missile sites and fighter interceptors to counter US bombers.

By the late 1970s, it was quite apparent that Soviet force developments were steadily eroding the nuclear balance between the superpowers and tilting it in favor of the Soviet Union. Confronted with this evolving threat, the US reassessed its strategy and force requirements to determine the best approach to provide credible deterrence. After much study and consideration, we reaffirmed the need for flexible and credible response options underwritten by nuclear forces with the full range of capabilities to deny Soviet war aims. Thus, we have sought more selective, discriminating and controlled options in our prepositioned employment plans and greater ability to adaptively plan in a crisis situation. Furthermore, we are developing the flexible strategic forces necessary to actually implement our response options and achieve our employment objectives. Increased counterforce capabilities are vital to the success of our efforts to deny Soviet war aims by holding at risk those highly valued assets that are critical to Soviet warfighting potential--offensive nuclear forces, hardened command and control structure, and leadership facilities.

SUPPORTING THE STRATEGY

Our task then is to field the forces that can effectively carry out our flexible response strategy. Credible deterrence demands that we redress the strategy-capabilities imbalance. The evolving Soviet target structure calls for US weapons with a variety of capabilities. We need systems with improved accuracy and a better capability to penetrate advanced defenses and strike hardened targets. Weapons with prompt hard-target capability are essential to disrupt Soviet attack plans as quickly as possible. It is imperative that we develop the capability to detect and attack the growing Soviet mobile target set. Additionally, we must have other forces sufficiently durable and flexible to hold remaining targets at risk throughout a nuclear conflict in order to control escalation, prevent coercion and convince the Soviets to end the conflict. Given sufficient weapons with flexible and credible counterforce capabilities to underwrite our response options, we can be confident that Soviet leaders will be deterred from initiating a nuclear attack by the certainty that the costs will far outweigh any possible benefits.

WHAT WE´VE DONE

In the early 1980s, we took a first step toward supporting our strategy by squeezing all the capability possible out of existing systems with a series of sensible, cost-effective modifications. High leverage upgrades to our MINUTEMAN ICBMs and B-52 bombers have significantly improved their contribution to our counterforce capabilities. Improved guidance systems and higher yield warheads double the MINUTEMAN´s damage potential against hardened Soviet targets. Reliability upgrades will sustain the system´s effectiveness and ensure continued high alert rates into the next century. B-52 upgrades include improved offensive and defensive avionics and deployment of air-launched cruise missiles. These enhancements double the bomber´s near-term capability, increase its accuracy three fold, substantially improve its survivability against enemy defenses, and extend its useful life into the next decade. Furthermore, they improve the employment flexibility of the B-52 by enhancing its ability to survive enemy defenses and accurately strike targets in conventional conflict.

We also have made noteworthy gains in SAC´s combat readiness in the 1980s. Reliability and maintainability modifications have improved system performance, increased mission capability, and reduced support costs. Improved spares support and a decentralized maintenance support system more attuned to operational needs have vastly improved the day-to-day readiness of our aircraft. More realistic and comprehensive training has increased the combat readiness of our crews. We´ve significantly improved the proficiency of our aircrews--but, we need sustained funding of our flying hour program in order to maintain it. Additionally, innovative programs are maximizing the productivity of our people by stimulating their initiative and creativity. Overall, our people are working more effectively to get the most out of current systems.

WHERE WE ARE

Our investment in readiness improvements and high leverage upgrades have significantly increased SAC´s combat capability. However, they leave us short of the required capability to properly underwrite our flexible response strategy. This is especially true in light of a continued Soviet effort to erode the effectiveness of US nuclear retaliation by producing capabilities that make our retaliatory forces less secure against attack and less effective in response. The Soviets continue their intensive efforts to build a nuclear warfighting machine to support a war-winning strategy.

To maintain a credible deterrent into the future, it is imperative that we now develop and deploy modern, new systems to hold at risk increasingly hardened, mobile, dispersed, and well defended Soviet offensive nuclear forces. The ongoing national strategic modernization program is the right approach to provide accurate, responsive, flexible, and enduring weapons across the TRIAD to fully sustain our strategy and keep the peace long into the future.

WHAT WE STILL NEED TO DO

Our greatest shortfall lies in the capability to achieve prompt retaliatory damage against hardened Soviet ICBM sites and their command centers. This shortfall is particularly significant since some 75 percent of Soviet nuclear force structure resides in their ICBMs. High confidence deterrence demands that we field the forces necessary to convince the Soviets we can effectively disrupt an ongoing attack and preclude successful follow-on attacks. With the existing shortfall, Soviet war planners can assume that a major part of their ICBM force will be able to operate in virtual sanctuary during the critical first hours of a nuclear conflict. This shortfall is highly destabilizing and demands priority attention.

The answer lies in fielding the full complement of 100 PEACEKEEPER missiles. The PEACEKEEPER offers very impressive accuracy far exceeding its design specifications. In the PEACEKEEPER, we have a reliable, responsive system that can effectively hold at risk the hardest Soviet ICBM sites. Deployment of the first increment of 50 missiles in upgraded MINUTEMAN silos provides an important start in redressing the serious imbalance in prompt, hard-target capability. We achieved an initial operating capability of 10 missiles in December 1986 at F.E. Warren AFB, Wyoming, and anticipate steady improvement in our strategic capabilities as we complete our initial deployment of 50 PEACEKEEPERs in December 1988.

I am a strong believer that rail garrison basing is the best way to deploy the second increment of 50 PEACEKEEPERs. By using existing base and rail infrastructures, we can achieve an early operational capability in 1991 for PEACEKEEPER in a more survivable basing mode at low cost with low risk. We believe this basing mode potentially offers minimal environmental impact and public interface problems. Rail garrison basing will ensure the long-term survivability of our newest ICBM against current and future Soviet threats. On a day-to-day basis PEACEKEEPER missiles will be on alert in garrison and capable of a prompt response to any Soviet attack scenario. The ability to disperse on the rail lines during a crisis or at strategic warning will enhance survivability and add stability in a time of increasing tensions by greatly complicating the Soviet warplanner's efforts to successfully prosecute a nuclear conflict. Additional PEACEKEEPERs in rail garrison basing will provide increased flexibility to the President in responding to a Soviet political brinksmanship ploy or a military attack and offer a prompt counterforce capability to defeat residual Soviet strategic forces.

The second element of our integrated ICBM modernization package is development of the Small ICBM. Once deployed, this system will improve the endurability and flexibility of our ICBM force and provide much needed additional hard target capability throughout all phases of a nuclear conflict. Deploying a single warhead, 37,000 pound missile in hard mobile launchers will provide a highly survivable system that offers enduring counterforce capability to hold at risk Soviet reserve forces and preclude coercion. The Small ICBM and TRIDENT D-5 missile will provide the enduring range of capabilities necessary to dispel any Soviet visions that they could fight a nuclear war and emerge with a preeminent balance of power. The Small ICBM's single warhead will greatly enhance targeting flexibility and enable us to employ our MIRVed ballistic missiles more efficiently against the Soviet target base. We anticipate achieving an initial operating capability in 1992 with the first missiles deployed on existing MINUTEMAN facilities. Hard mobile launchers positioned on MINUTEMAN launch facilities offer the capability to rapidly disperse upon tactical warning of Soviet attack while taking advantage of existing manpower and infrastructure at the MINUTEMAN bases.

We are pursuing a well conceived and well executed dual-track approach to revitalize our strategic bomber force. Deployment of the B-1B fulfills the need for a penetrating bomber to bridge the gap between our B-52 force and the Advanced Technology Bomber (ATB). Both bombers play a vital role in ensuring the long-term capability to place a wide range of Soviet targets at risk with penetrating aircraft systems.

The B-1B is a highly capable, multi-role bomber that will be able to penetrate enemy airspace well into the 1990s, thanks to its high speed, low altitude flight, small radar cross-section and adaptive defensive avionics. Additionally, the B-1B offers improved launch and enroute survivability and increased accuracy over the B-52. We achieved an initial operational capability with our first squadron of B-1Bs on 1 October 1986 and continue to take aircraft deliveries toward a total of 100 aircraft. All B-1s assigned have SIOP missions into the Soviet Union, and are capable of executing their assigned mission. As is the case with new combat aircraft, there are some B-1B problems that require resolution to realize its full potential. The Air Force has implemented a sensible program to do that within the original certified $20.5 billion cost estimate. SAC is working closely with Systems Command to mature the B-1B's combat capability through well planned improvements to the aircraft flight control system and defensive avionics. We also are working with Logistics Command to refine supportability requirements to ensure an effective maintenance system. What is crucial is that each B-1B adds to improved combat capability today and will be even better in the future.

Development of the ATB is proceeding prudently toward deployment in the early 1990s. This highly flexible aircraft incorporates the latest advances in low observables, propulsion technology, and lightweight materials to ensure penetration capability and survivability. The special characteristics of the ATB will enable it to defeat the most sophisticated Soviet defenses and attack all types of targets well into the next century. The ATB is our most promising system against the relocatable target threat. I consider that to be tremendously important given major Soviet efforts to go mobile. Any Soviet efforts to counter the ATB would entail enormous, long-term investments in high technology defenses, drawing off large sums that might otherwise be used for offensive forces. Furthermore, the ATB design can accommodate improvements in sensors and avionics, ensuring its effectiveness and adaptability throughout a long operational life.

As we modernize our strategic nuclear forces, I consider it equally important to modernize the strategic command and control (C^2) systems that support them. To ensure deterrence, we must convey to potential adversaries a convincing capability to respond immediately to an attack of any magnitude and duration, and direct the execution of our forces, even under the most severe circumstances. This requires reliable and timely warning and assured connectivity between the leadership and nuclear forces We have initiated a well-balanced C^2 upgrade program to provide force survivability, execution, and management across the spectrum of conflict. The Ground Wave Emergency Network, Super High Frequency Receiver for Missile Launch Control Centers, and replacement Airborne Command Post program are the key ingredients of this modernization effort. The above programs when coupled with long-term improvements will provide robust, flexible, redundant, and EMP and jam resistant links from the NCA to the forces. It is essential that we implement our planned C^2 improvements to ensure our future deterrent capability. Continued Congressional support is vital to our success in this crucial endeavor.

OUR NUCLEAR OPPORTUNITY

Flexible response is the right strategy at the right time. The means to fully support that strategy are well within our grasp in the form of the nation's strategic modernization program. By completing the program, we can ensure that Soviet war aims are not attainable, and that any Soviet leader will understand that fact. That is the essence of credible deterrence. That means a world free of conflict between major powers; it means keeping Americans alive, free, and at peace. Some of the forces we need to carry out our strategic tasks are already operational; more will be coming on line in the near future. The remaining strategic modernization programs are progressing well. Much of the needed investment has been made already.

WHAT ELSE WE MUST DO

It is imperative that we help bolster the nation's conventional capabilities to make nuclear war less likely. Theater commanders require a large, long-range, fully capable conventional bomber force to do their mission. Our strategic bombers are an essential element of their warfighting capability. When timeliness, range and payload are considered, there are conventional missions which cannot be accomplished and areas of the world which cannot be reached without SAC bombers.

To enhance SAC's near-term conventional capability to meet increasing theater requirements, I have directed all bomb wings to immediately achieve the capability to conduct conventional as well as nuclear operations. Additionally, we have initiated a comprehensive program to capitalize on our inherent conventional warfighting capability by fully integrating today's technology into the long-range bomber force. We are expanding the weapons delivery capability of our B-52s; improving the delivery accuracy of our systems; implementing a realistic training program to fully qualify our flying and maintenance crews in conventional operations; and pursuing a family of conventional weaponry that provides a precision strike capability, standoff range, and the ability to suppress enemy air defenses.

To ensure our future capability to provide theater CINCs the conventional striking power they need for deep strikes beyond the reach of tactical air forces, we need to dedicate non-ALCM B-52Gs to a conventional role. Also, I am persuaded that we must keep B-52s in the inventory for the full period of their useful life. They have been bought and paid for, and have a huge capability in the area the theater commanders need most. By combining our planned force enhancements with maintenance of the B-52 force structure, we will be able to provide theater commanders an enormous warfighting capability at an affordable price and increase their flexibility in applying significant conventional airpower in their area of operations. We need to utilize the existing combat capability and amortize the nation's sunk cost in our B-52 aircraft.

The bottom line is--this is a very important issue and cannot be pushed aside. We as a nation cannot afford, particularly at a time of constrained resources, to take any bomber out of service.

CONCLUSION

SAC is in a dynamic period with multiple thrusts. With understanding and support, we will be able to provide significant increased deterrence through expanded and improved nuclear and conventional warfighting capability. Our nation deserves and must have nothing less.

General CHAIN. With your permission, I would like to present a briefing on SAC's responsibilities in both nuclear and conventional roles. I am prepared to give that briefing at this time.

GENERAL CHAIN BRIEFING

Chairman STENNIS. Then we are ready for you to proceed with your briefing.

Thank you.

But first let me say that Senator DeConcini has come in in the meantime.

Senator DECONCINI. I have no statement, Mr. Chairman. Thank you.

Chairman STENNIS. We are glad you are here, Senator.

Senator DECONCINI. Thank you, Mr. Chairman.

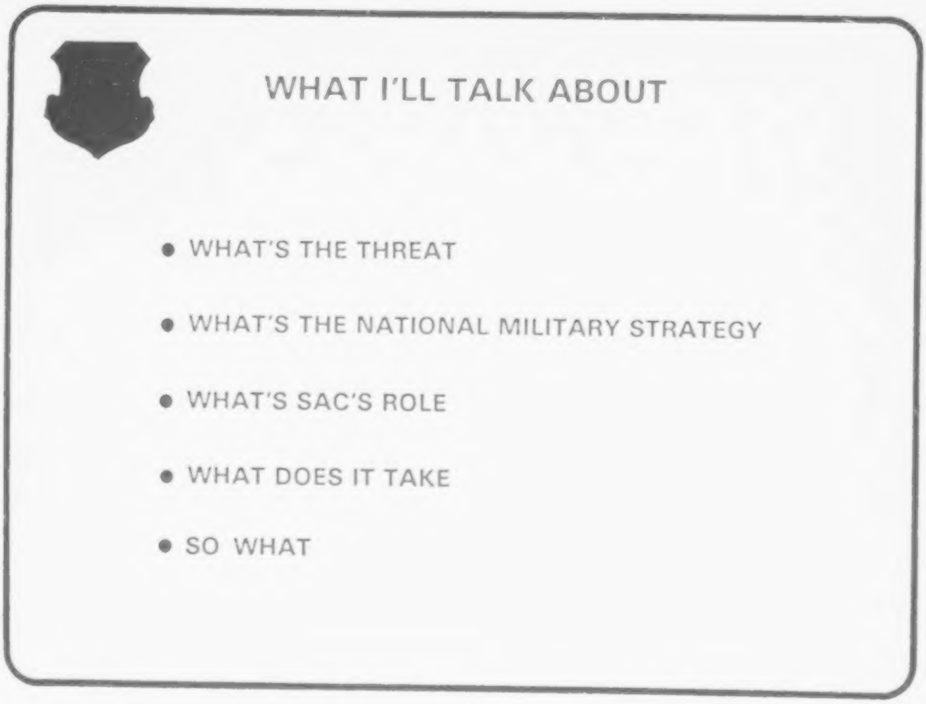
Chairman STENNIS. General, proceed.

General CHAIN. Thank you.

THE STRATEGIC AIR COMMAND

SLIDE 1

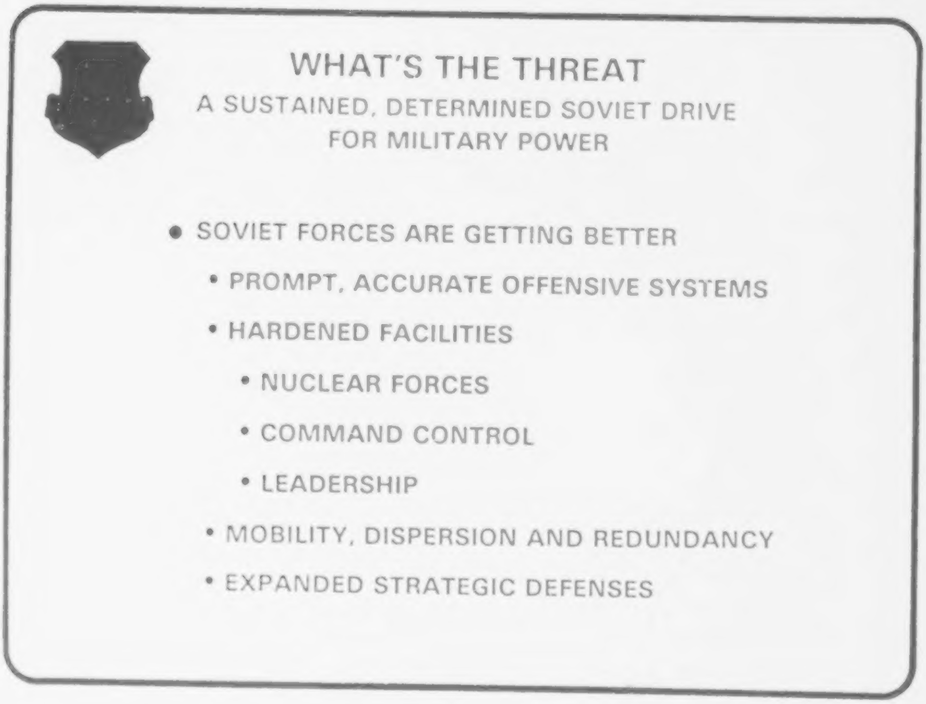
General CHAIN. I think for me to be able to talk about specific weapon systems, I am going to have to set the stage so that this is in context. Therefore, I would like to go quickly through this list.



WHAT I'LL TALK ABOUT

- WHAT'S THE THREAT
- WHAT'S THE NATIONAL MILITARY STRATEGY
- WHAT'S SAC'S ROLE
- WHAT DOES IT TAKE
- SO WHAT

SLIDE 2



WHAT'S THE THREAT

A SUSTAINED, DETERMINED SOVIET DRIVE FOR MILITARY POWER

- SOVIET FORCES ARE GETTING BETTER
  - PROMPT, ACCURATE OFFENSIVE SYSTEMS
  - HARDENED FACILITIES
    - NUCLEAR FORCES
    - COMMAND CONTROL
    - LEADERSHIP
  - MOBILITY, DISPERSION AND REDUNDANCY
  - EXPANDED STRATEGIC DEFENSES

SLIDE 3

THE SOVIET THREAT

General CHAIN. I am not going to give you a detailed briefing on the Soviet threat. You all certainly are well aware of that. But from SAC's perspective, I have looked at the Soviet Union and its military capabilities for 30-plus years, and I have been deeply involved with it for the last 9 years.

What we see is that the Soviets continue to get better.

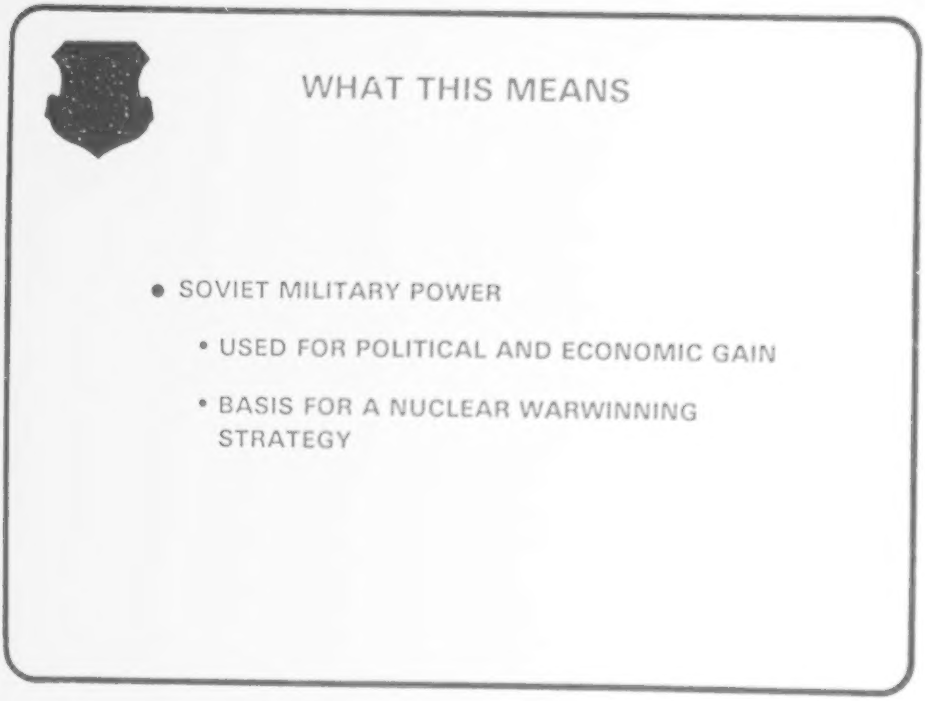
Their offensive forces continue to improve, in the nuclear field in particular, with the development of the SS–18, the 24, and the 25.

They are also going to harden their facilities. [Deleted.] So it requires greater accuracy on our part.

What they have not hardened, they then start making mobile. They are working on the hardening of the nuclear forces. Their command and control and also their leadership, people like you, will have underground bunkers that they can go to in case of a nuclear war.

But at the same time, [deleted] which causes us in SAC, who have a responsibility to hold those things at risk, a great deal of problems.

We also at the same time see them expanding their strategic defenses.



WHAT THIS MEANS

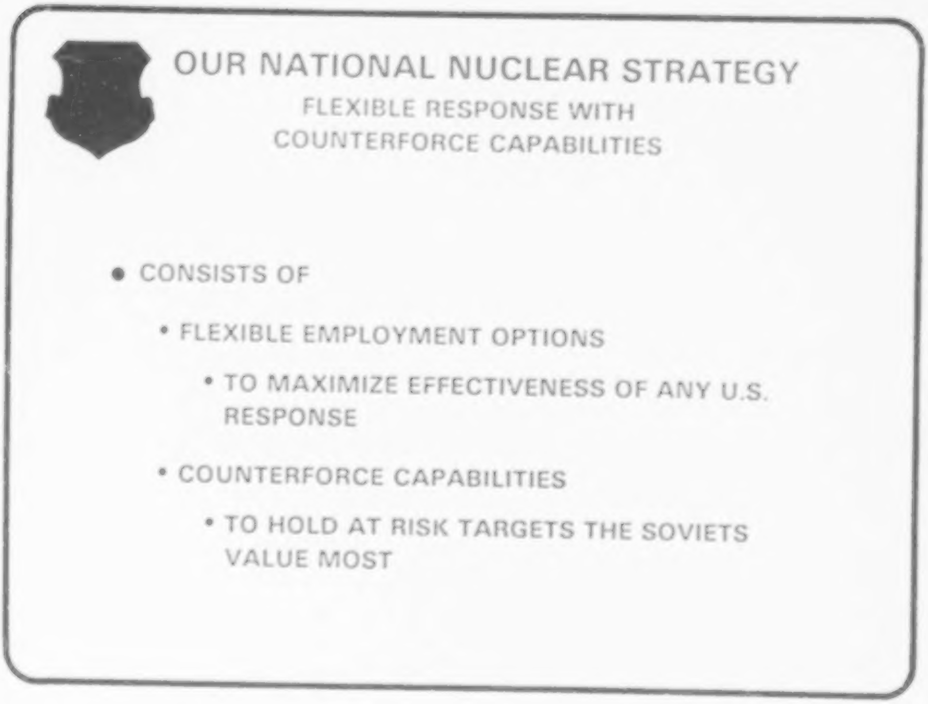
- SOVIET MILITARY POWER
  - USED FOR POLITICAL AND ECONOMIC GAIN
  - BASIS FOR A NUCLEAR WARWINNING STRATEGY

Slide 4

SOVIET BLOC GAIN IN MILITARY POWER

General Chain. What it all leads to is an increase in their military power, and with that power, they can use it for political gains. We all have seen that with the Eastern bloc countries and economic gains, selling fighters to India and things like that.

But the bottom line for my concern is that it increases their capability to fight a nuclear war and reading their doctrine, they happen to believe that they could fight a nuclear war and win it.



OUR NATIONAL NUCLEAR STRATEGY

FLEXIBLE RESPONSE WITH
COUNTERFORCE CAPABILITIES

- CONSISTS OF
  - FLEXIBLE EMPLOYMENT OPTIONS
    - TO MAXIMIZE EFFECTIVENESS OF ANY U.S. RESPONSE
  - COUNTERFORCE CAPABILITIES
    - TO HOLD AT RISK TARGETS THE SOVIETS VALUE MOST

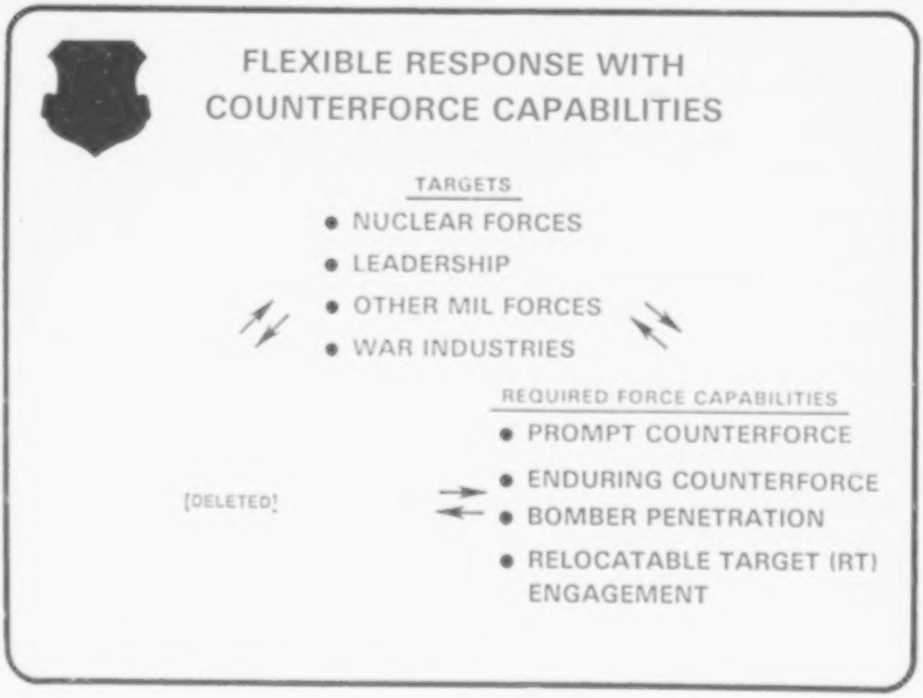
Slide 5

FLEXIBLE RESPONSE POLICY

General Chain. To counter that, the United States has a nuclear policy which has evolved through the years from massive retaliation to where we are today, which we term "flexible response," with a counterforce capability.

Now the flexible response means that the President does not have one option. If we are attacked, he just does not need to launch the whole nuclear force in retaliation. He has multiple options that you can choose from to do whatever he chooses to do. We have to give him capabilities to do that.

We also have to have capabilities to be able to go after their forces and, if we can hold their forces at risk, hopefully, we will be able to deter and won't have to do it in the first place.



FLEXIBLE RESPONSE WITH COUNTERFORCE CAPABILITIES

TARGETS

- NUCLEAR FORCES
- LEADERSHIP
- OTHER MIL FORCES
- WAR INDUSTRIES

REQUIRED FORCE CAPABILITIES

- PROMPT COUNTERFORCE
- ENDURING COUNTERFORCE
- BOMBER PENETRATION
- RELOCATABLE TARGET (RT) ENGAGEMENT

[DELETED]

Slide 6

TARGETS

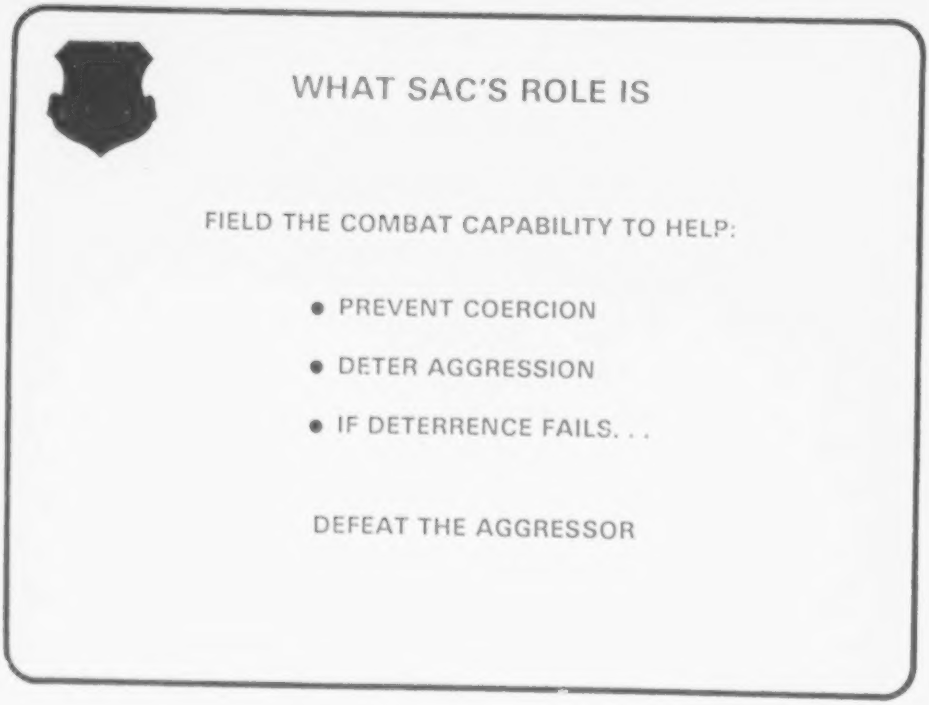
General Chain. These are the [deleted]. Therefore, our deployment objectives are to be able to do these things. If they start attacking, we have to be able to disrupt that attack, and eventually to be able to defeat the attack.

We have to be able [deleted].

We have to be able to deny their army and navy the opportunity to be successful in the war and very importantly, we have to make sure [deleted].

REQUIRED CAPABILITIES

Now, to do that, I have to have these types of capabilities [indicating]. [Deleted.] I have to have bombers that can go in [deleted].



WHAT SAC'S ROLE IS

FIELD THE COMBAT CAPABILITY TO HELP:

- PREVENT COERCION
- DETER AGGRESSION
- IF DETERRENCE FAILS. . .

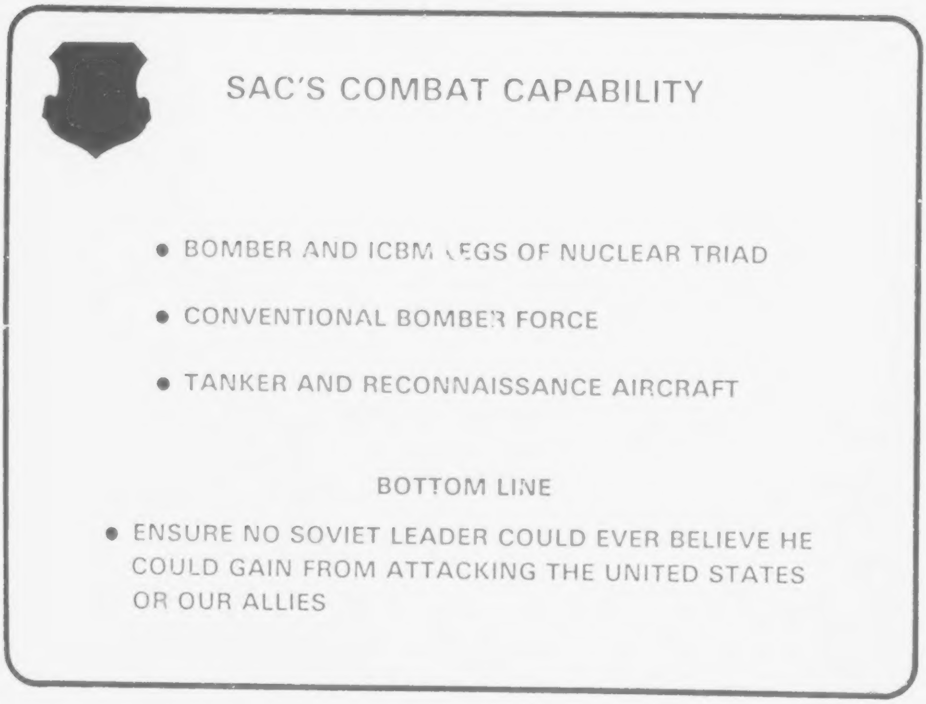
DEFEAT THE AGGRESSOR

SLIDE 7

SAC ROLE IN RELATION TO OTHER U.S. FORCES

General CHAIN. So, what SAC's role in all of this is we have to work with other forces of the United States to be able to do these things. We have to be able to make sure that the Soviets aren't in a disproportionate position of power, where they can coerce us or our allies.

We have to be able, on the bottom line, to deter their aggressions, so that we don't have to fight in the first place. But, if deterrence should fail, obviously we have to be in a position where we win.



SAC'S COMBAT CAPABILITY

- BOMBER AND ICBM LEGS OF NUCLEAR TRIAD
- CONVENTIONAL BOMBER FORCE
- TANKER AND RECONNAISSANCE AIRCRAFT

BOTTOM LINE

- ENSURE NO SOVIET LEADER COULD EVER BELIEVE HE COULD GAIN FROM ATTACKING THE UNITED STATES OR OUR ALLIES

Slide 8

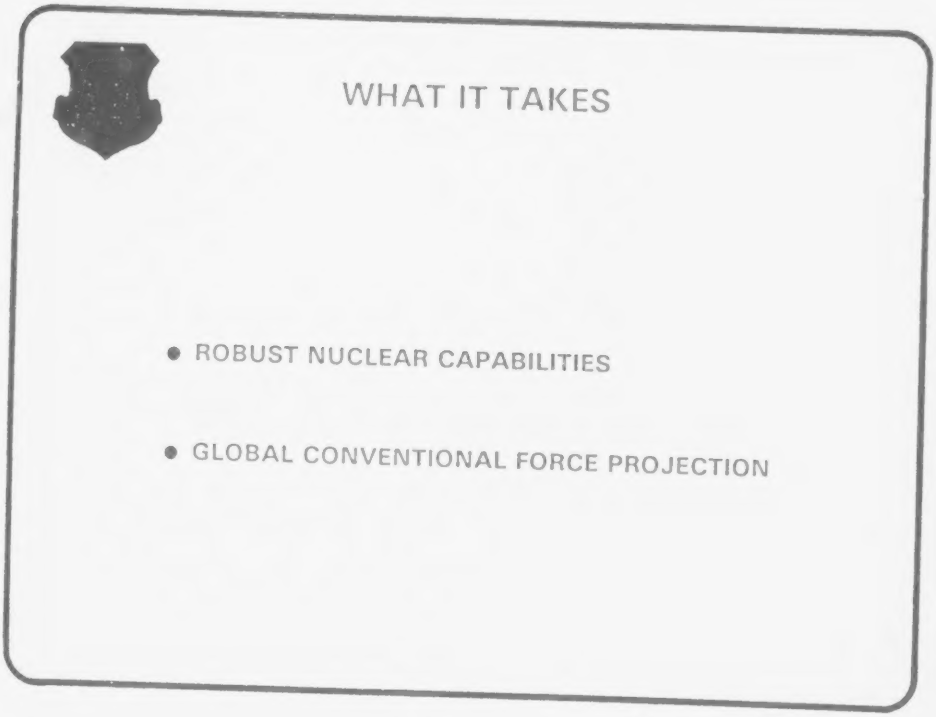
SAC RESPONSIBILITY IN TWO LEGS OF TRIAD

General Chain. Now, SAC has two legs of the strategic TRIAD that we are responsible for. I will be talking about the weapon systems in that in just a moment.

We also have conventional capability which we in the military sometimes fail to talk about, and I don't think it has gotten enough attention throughout the country. I want to talk specifically about that.

Obviously, our tanker and reconnaissance aircraft play in both the nuclear and the conventional arenas.

The bottom line is we have to make sure that the Soviets do not think that they could win a war with the United States.



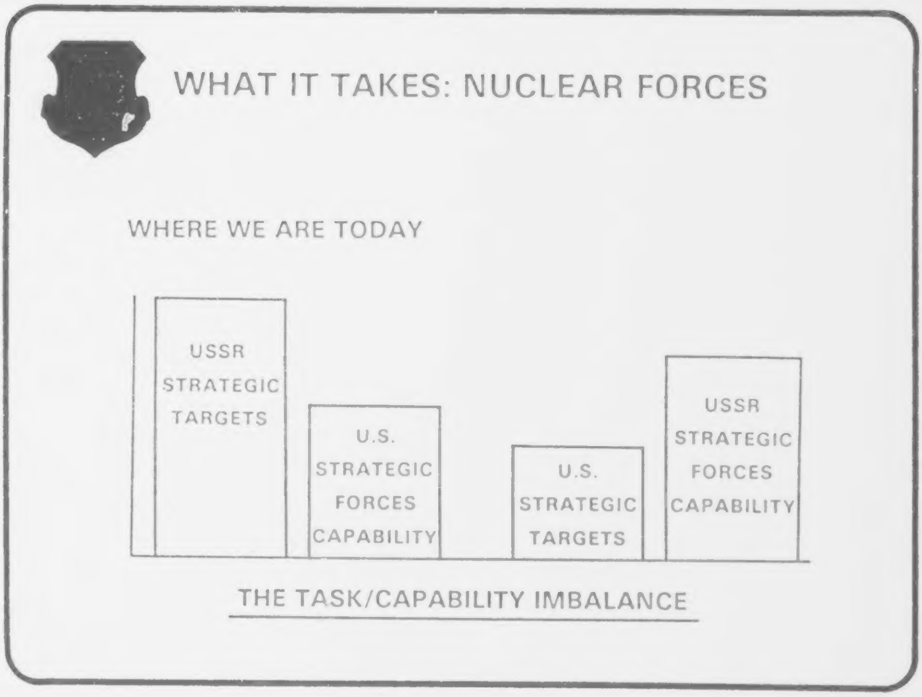
WHAT IT TAKES

- ROBUST NUCLEAR CAPABILITIES
- GLOBAL CONVENTIONAL FORCE PROJECTION

SLIDE 9

NUCLEAR CAPABLE FORCES

General CHAIN. So, what we need to do is have nuclear capable forces that can do their job; we also have to have conventional forces that can do their job.



WHAT IT TAKES: NUCLEAR FORCES

WHERE WE ARE TODAY

THE TASK/CAPABILITY IMBALANCE

Slide 10

NUCLEAR FORCES

General Chain. Let me talk about the nuclear forces first.

The intelligence community, DIA and CIA, comes to us and says these, General, are the targets that you have to be able to attack if we are going to hold at risk the Soviet Union so that they won't be able to attack in the first place.

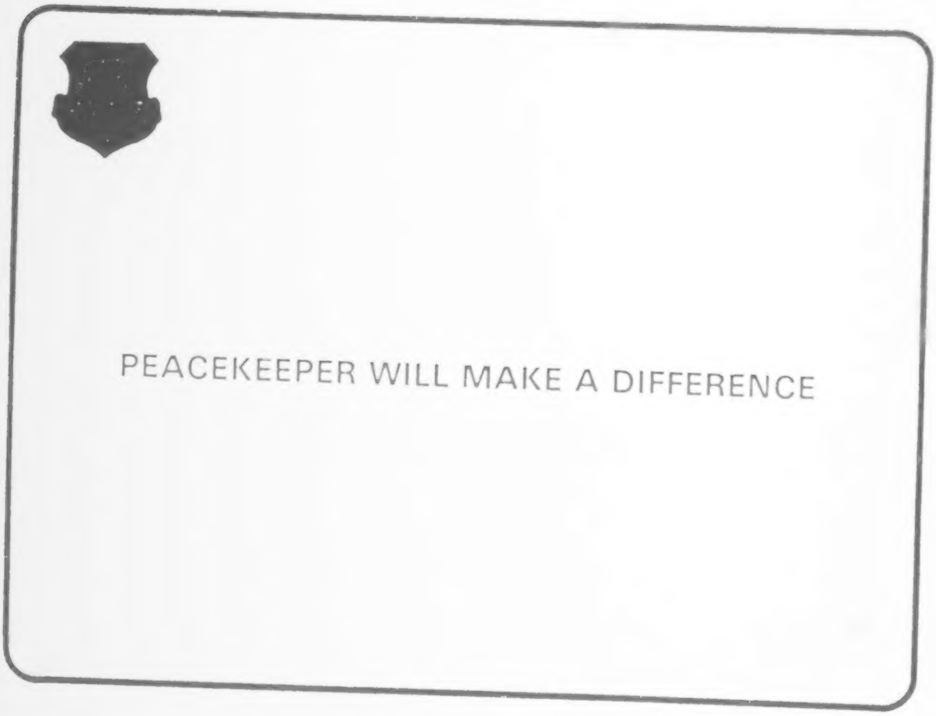
Then I match my capabilities against that, and I find a disproportion.

That same group of analysts that I don't own also look at the United States from a Soviet perspective and say if they were in Moscow, what kind of forces would they have to go against U.S. targets so they would come up with a target base from a Soviet perspective. It turns out the [deleted].

[SLIDE NO. 11 CLASSIFIED]

General Chain. [Deleted.] Now, the best missile I have today is the Minuteman III. [Deleted.]

That ends up being the most destabilizing shortfall I have.

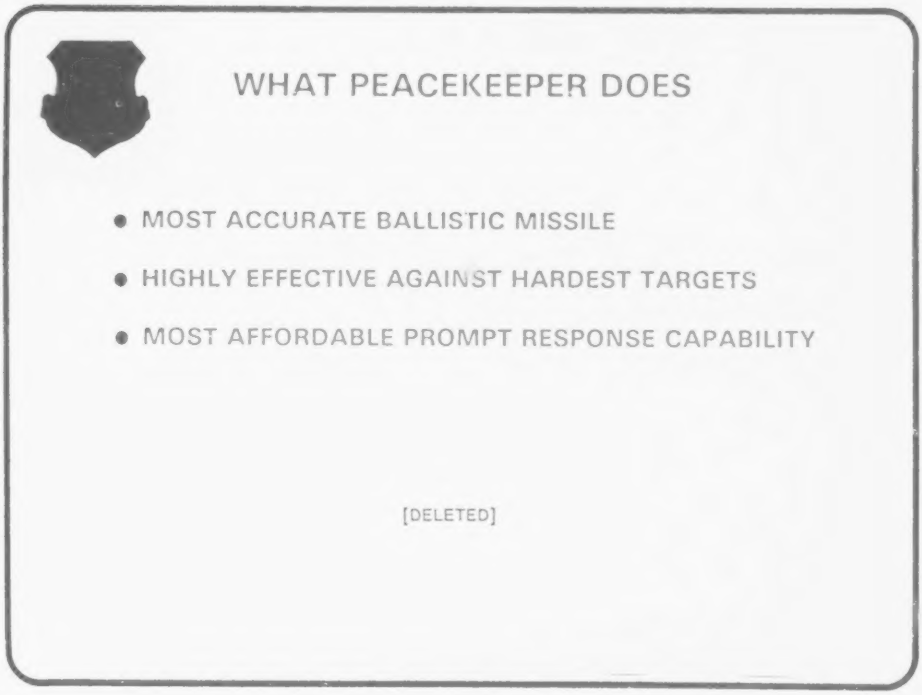


PEACEKEEPER WILL MAKE A DIFFERENCE

SLIDE 12

PEACEKEEPER

General CHAIN. To solve that problem, we feel that the Peacekeeper missile is going to do that.



WHAT PEACEKEEPER DOES

- MOST ACCURATE BALLISTIC MISSILE
- HIGHLY EFFECTIVE AGAINST HARDEST TARGETS
- MOST AFFORDABLE PROMPT RESPONSE CAPABILITY

[DELETED]

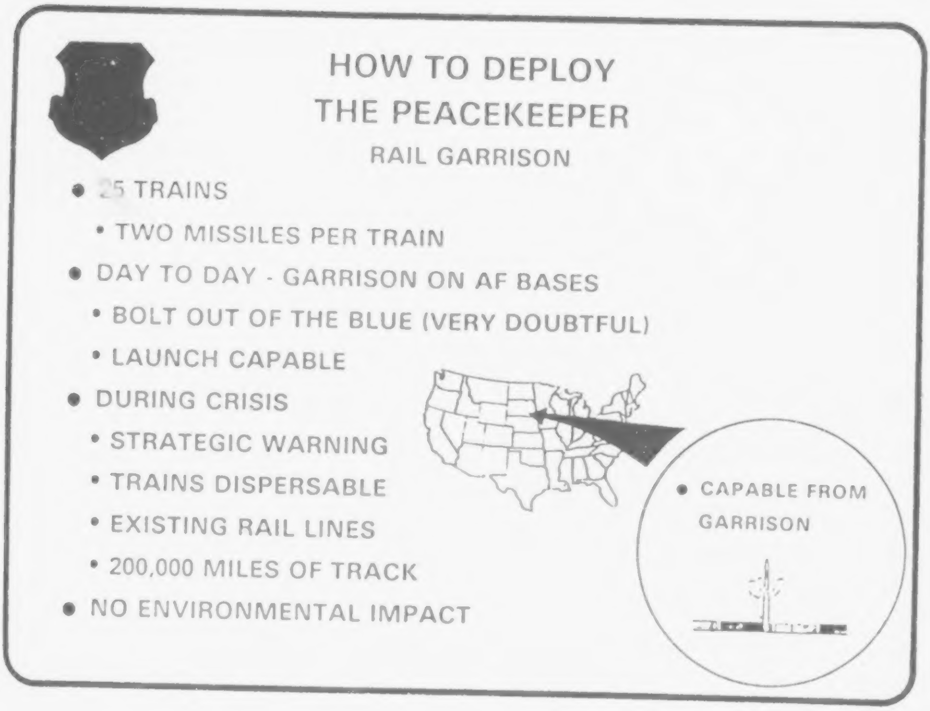
SLIDE 13

General CHAIN. I think the Peacekeeper has already demonstrated that it is the most accurate missile ever developed. We had hoped to be able to hit within a [deleted]. So, whatever we aim at, we are going to end up destroying.

We feel that it is the best weapon against a hard target, and we also think that it is very affordable, even though it costs a lot of money, and I do not denigrate that.

But if you look at the left side of the target for just a minute and forget these things [indicating] here, this is what the Minuteman III can do.

[Deleted] damage. With a Peacekeeper, with its accuracy and yield, for one warhead, it will have a [deleted].



HOW TO DEPLOY
THE PEACEKEEPER
RAIL GARRISON

- 25 TRAINS
  - TWO MISSILES PER TRAIN
- DAY TO DAY - GARRISON ON AF BASES
  - BOLT OUT OF THE BLUE (VERY DOUBTFUL)
  - LAUNCH CAPABLE
- DURING CRISIS
  - STRATEGIC WARNING
  - TRAINS DISPERSABLE
  - EXISTING RAIL LINES
  - 200,000 MILES OF TRACK
- NO ENVIRONMENTAL IMPACT

- CAPABLE FROM GARRISON

SLIDE 14

RAIL GARRISON CONCEPT

General CHAIN. Now, we have already talked about the first 50 going into Minuteman silos. They will serve our country very well.

However, for the second 50, I think the military has rightly been tasked to come up with a better basing mode, and we think we have done that. It is called Peacekeeper in a rail garrison concept.

The idea would be to put two missiles on a train. [Deleted.] The tracks are good up to 1 million pounds. So we are not concerned about that.

Day to day, the missile would be just like our B–52's on a military base, an Air Force base, with a big, wire fence around it and guards, just like I have for B–52's today, for an existing military facility, and they would stay there.

The only time those trains would go off that base is if we ended up with a confrontation or a national crisis.

At the direction of the President, we would move those trains out of the station.

BOLT OUT OF THE BLUE

Day to day, if there were a bolt out of the blue, which I personally completely reject, because I don't think at 10:30 this morning the Soviets are going to attack—so I reject a bolt out of the blue—I think there will have to be some reasons that they would so attack. But if we get such a hullabaloo, just like every ICBM, [deleted].

But during crisis, we would disperse the trains over the 200,000-plus miles of good track that we have in the United States, on existing railroad lines. There are over 200,000 miles of track on the chart. But if you back it off and said only 100,000, that more than serves our purpose. They would be out amongst other trains, if you would. And this country has 1,500,000 train cars in this country today. We have about 3,000 train movements a day. So, when these things are out and dispersed, no one is going to be able to find them.

Senator STEVENS. Where did you get those figures, General?

General CHAIN. The Federal Railroad Administration, sir.

[SLIDE NO. 15 CLASSIFIED]

General CHAIN. The typical arguments against a rail garrison are, first, the bolt out of the blue. I don't believe the Soviets are irrational. Therefore, there is going to have to be some reason for them to attack. They are going to have to build the capability to attack.

My previous position was as Chief of Staff, Supreme Headquarters Allied Powers Europe [SHAPE], and General Rogers and the SHAPE people felt that it would take the Soviets [deleted] to get to the posture where they could conduct a war in Europe. I watch intelligence and warning indicators every day, and certainly we have backup charts which show, if you would like to see them, the types of things we look at. I would be happy to show you those.

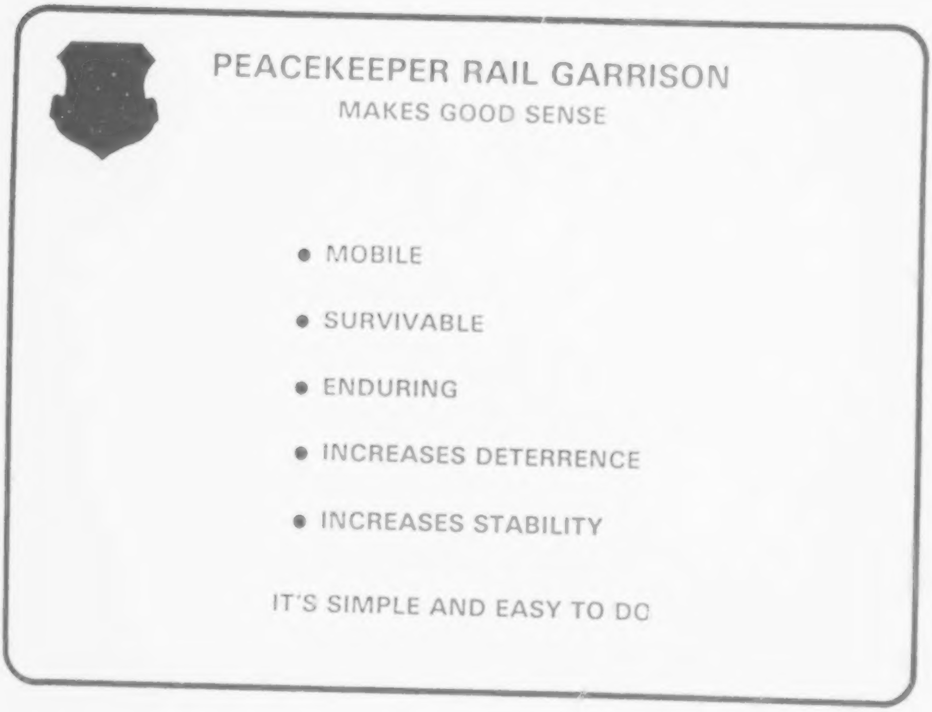
I have a great belief that we would know if the Soviets were posturing and if they would even be considering having an attack.

Some people say that the James Bond-type of things would occur, that they have had infiltrators which would be able to attack the trains just prior to the Soviets sending missiles in. It is very interesting. It is nice for fiction writers. But you just don't bet your country that something like that is going to work, and you just cannot attack one leg of the TRIAD or one small section of the TRIAD without giving away your plans.

In any big military operation, you just don't end up having the lynchpin being a couple of spies who have been infiltrated into the United States.

People say that the citizens of this country don't want the trains driving around. Well, I don't doubt that, and we are not going to drive them around.

The day that we have to move those trains out of the station means that this country is in such a precarious position that the President has decided that that is a strong signal that he wants to send to the people. I think the American people will be out there, waving flags, if they knew which was the train, and cheering them on, because that may be the last thing that happens to deter a nuclear attack.



PEACEKEEPER RAIL GARRISON
MAKES GOOD SENSE

- MOBILE
- SURVIVABLE
- ENDURING
- INCREASES DETERRENCE
- INCREASES STABILITY

IT'S SIMPLE AND EASY TO DO

SLIDE 16

RAIL GARRISON ADVANTAGES

General CHAIN. The Peacekeeper makes good sense for these reasons. It is mobile, survivable, enduring; it adds to deterrence, and because it is a deterrent and because it would add to the questions that a Soviet military planner would have, it adds to our stability.

[SLIDE NO. 17 CLASSIFIED]

General CHAIN. Once we do that, I refer you back to the previous chart we looked at, where the Minuteman, with [deleted] the first 50 Peacekeepers against the targets we have to go against, brings our line up to here [indicating]. [Deleted.]

Once we do that, then the other weapons that we have, the Minuteman, the SLBM's, and the bombers, can then be reflowed against those other targets that I showed you, the out of bounds, so that I can better do the full tasks that I have been given.

The bottom line is the Peacekeeper is not just an end in itself, but it is a means to an end.

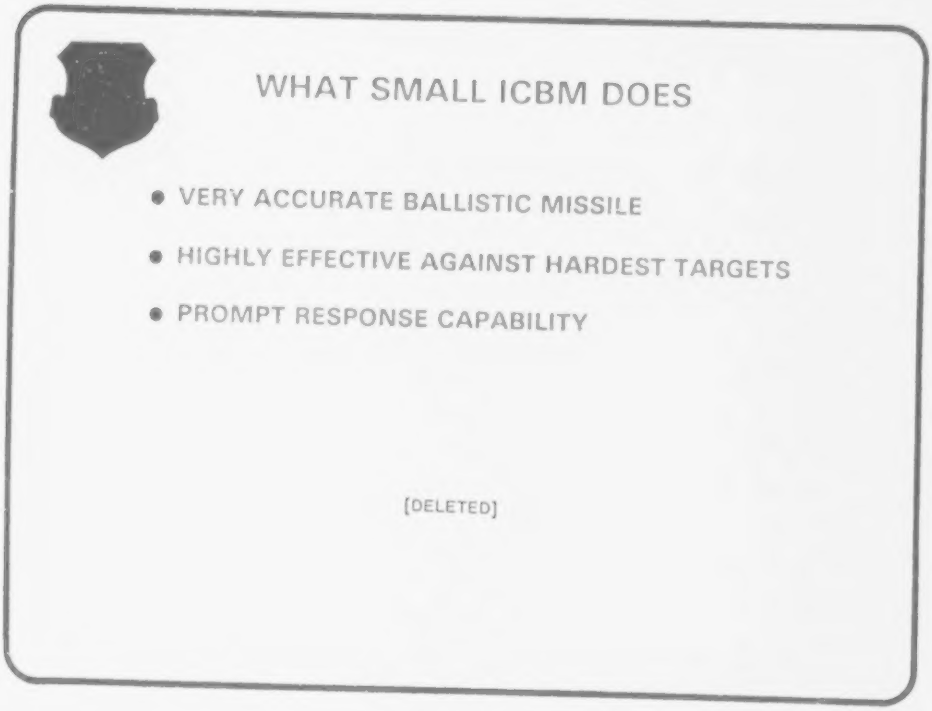
AND, SMALL ICBM WILL ADD

TO OUR CAPABILITY

SLIDE 18

SMALL ICBM

General CHAIN. The small ICBM is going to fit into this equation also.



WHAT SMALL ICBM DOES

- VERY ACCURATE BALLISTIC MISSILE
- HIGHLY EFFECTIVE AGAINST HARDEST TARGETS
- PROMPT RESPONSE CAPABILITY

[DELETED]

SLIDE 19

SMALL ICBM EFFECTIVENESS

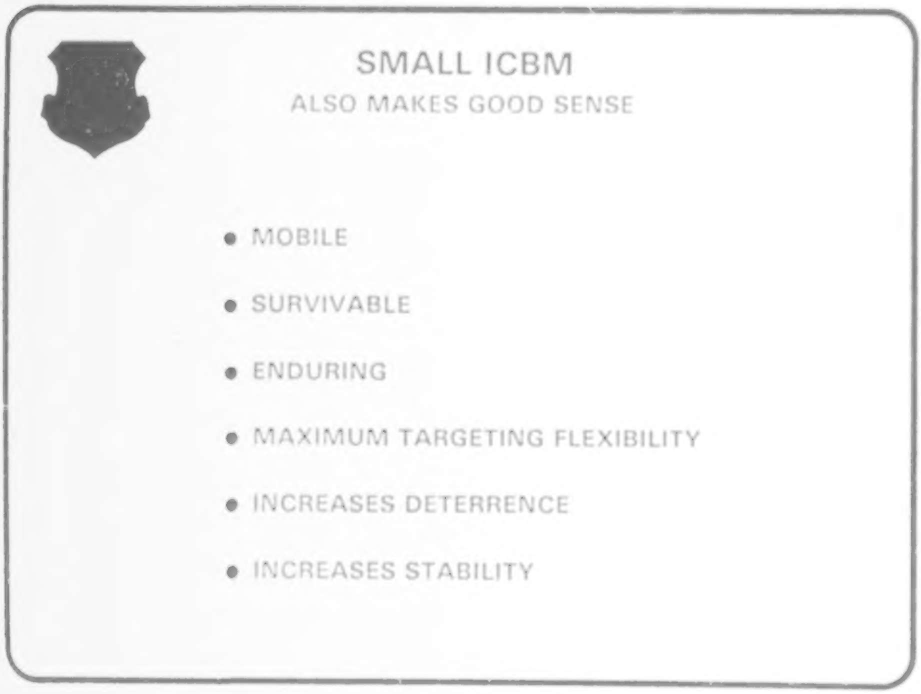
General CHAIN. We believe that it will be a very accurate missile. It hasn't been tested yet, but there is no reason to believe that it won't have great accuracy. It is going to be effective against hard targets, and it is going to be able to be used promptly, and it also will be enduring.

So, it will be of great value to us from a military capability point of view.

I will refer you again to the same chart we just talked about. You can see the D–5 is going to help us a great deal [deleted] and we feel that the small ICBM will be [deleted].

Now, this number [indicating] may very well go up, if it comes within the accuracy that we hope to get for it. I think this is an honest number that I am giving you today. But we won't be able to refine this number until we go through the test programs and actually have missiles fired to get the data.

But I think it is very well that that could [deleted] like the rail garrison or, if there are some anomalies, it could drop a few points. But I think that is a very honest figure. It is going to be a great missile.



SMALL ICBM

ALSO MAKES GOOD SENSE

- MOBILE
- SURVIVABLE
- ENDURING
- MAXIMUM TARGETING FLEXIBILITY
- INCREASES DETERRENCE
- INCREASES STABILITY

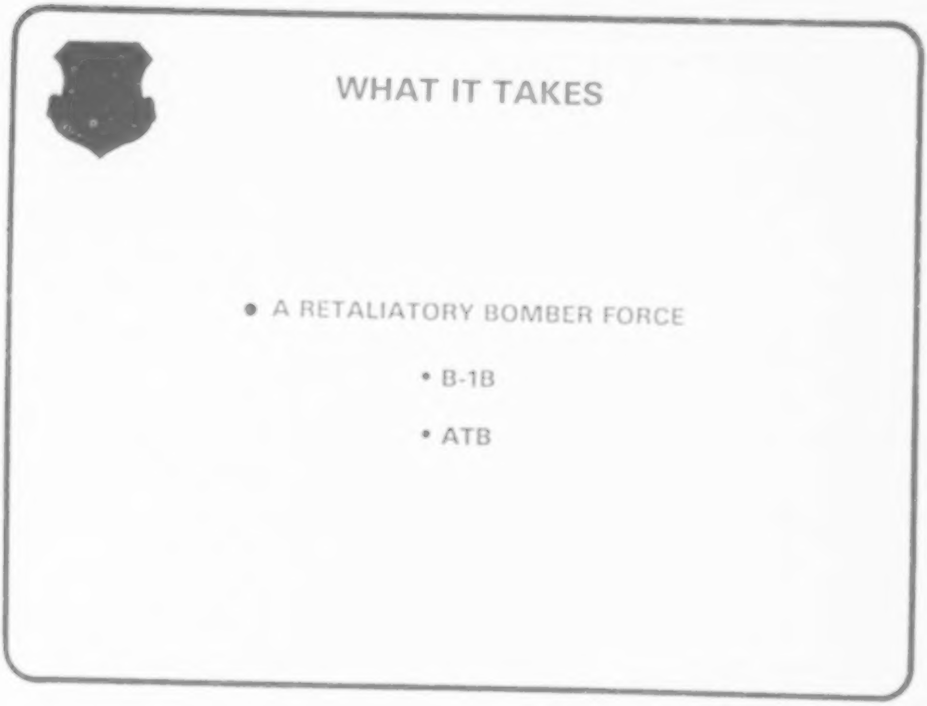
Slide 20

SENSIBILITY OF SMALL ICBM

General Chain. It does these things for us. It also is mobile, it is survivable, it is enduring, and it gives me a great deal of flexibility as far as targeting in that it only has one warhead, and, therefore, during a nuclear exchange, if a target were discovered that we had not found before, we could send one missile after it, [deleted].

So it gives great flexibility to the planner.

Obviously it adds to the deterrence and it increases the stability.



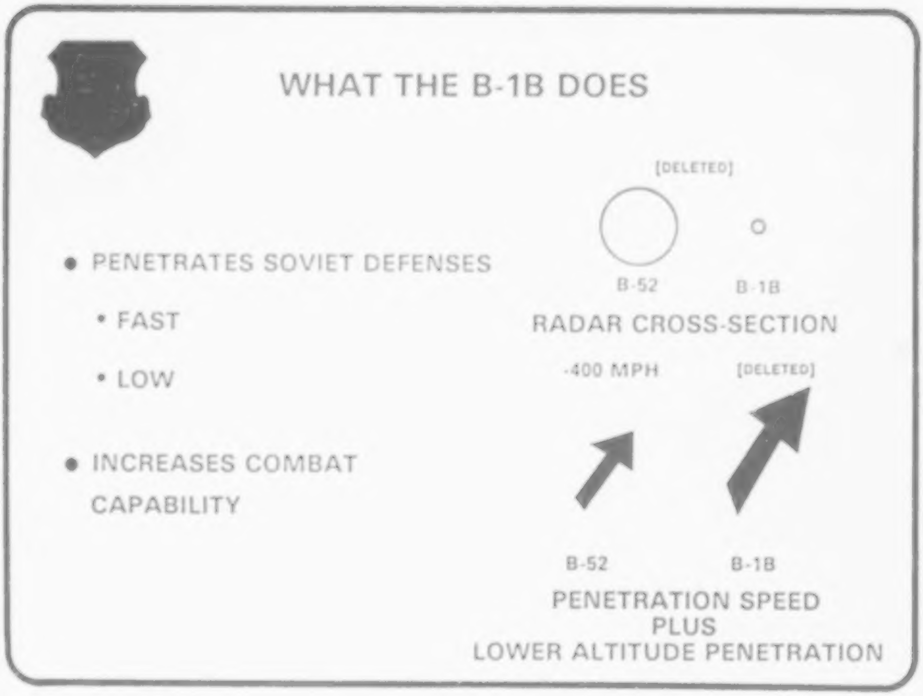
WHAT IT TAKES

- A RETALIATORY BOMBER FORCE
  - B-1B
  - ATB

Slide 21

BOMBER FORCE

General Chain. I would like to shift now to the air breathers, both the B-1 and the Advanced Technology Bomber [ATB].



WHAT THE B-1B DOES

- PENETRATES SOVIET DEFENSES
  - FAST
  - LOW
- INCREASES COMBAT CAPABILITY

[DELETED]

B-52 B-1B

RADAR CROSS-SECTION

-400 MPH [DELETED]

B-52 B-1B

PENETRATION SPEED
PLUS
LOWER ALTITUDE PENETRATION

Slide 22

B-1

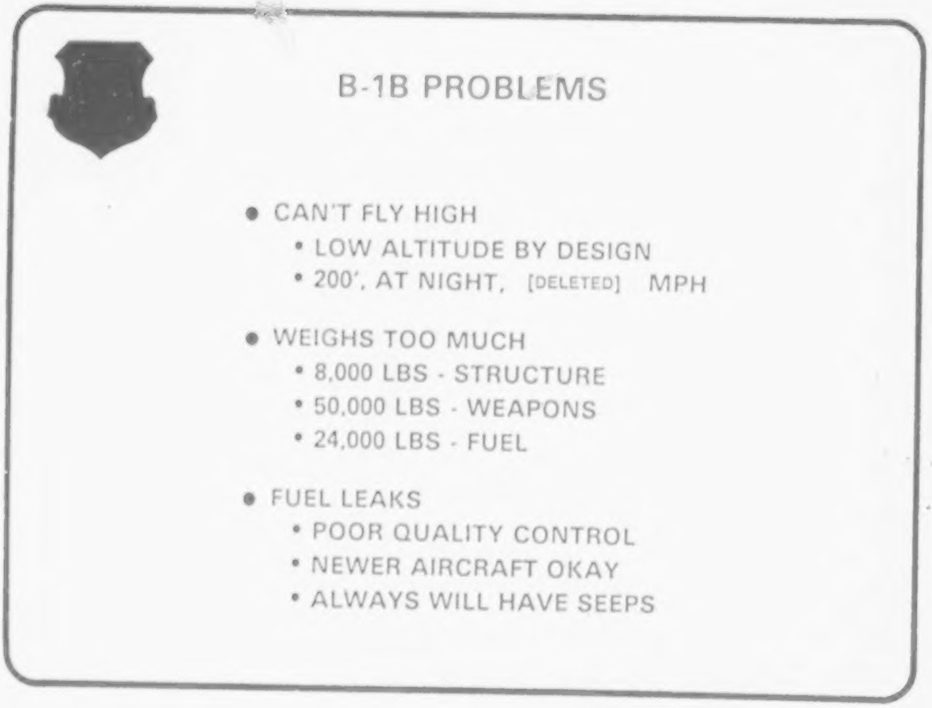
General Chain. First, the B–1 has been attacked recently, and I am the one who should be the attacker, not the defender, because I am the operator. I did not design that airplane. I am the one who has to use it.

But I happen to think I have a darn good airplane, and I want to tell you a little bit about it.

First of all, it has a radar cross section about one one-hundredth of the B–52, which is interesting. [Deleted.]

In other words, it is very small from a radar's point of view, or somebody on the ground trying to find it.

You can fly it 200 feet at night and it can fly [deleted] which is not bad.



B-1B PROBLEMS

- CAN'T FLY HIGH
  - LOW ALTITUDE BY DESIGN
  - 200', AT NIGHT, [DELETED] MPH
- WEIGHS TOO MUCH
  - 8,000 LBS - STRUCTURE
  - 50,000 LBS - WEAPONS
  - 24,000 LBS - FUEL
- FUEL LEAKS
  - POOR QUALITY CONTROL
  - NEWER AIRCRAFT OKAY
  - ALWAYS WILL HAVE SEEPS

SLIDE 23

B-1 PROBLEMS

General CHAIN. Some of the things that have been said about it are these. First is that it cannot fly high.

Well, I don't want it to fly high. I want it to fly low and I want it to fly fast. And it can do that.

So that is not even worth discussing.

Another is that it weighs too much. We have added 8,000 pounds of structural beef to the airplane, and for that, the dividend is that we can add 50,000 pounds of weapons, which turns out to be the cruise missile, which we will put on it in the next few years, as the B–52 goes out of the nuclear inventory. And we have also added 24,000 pounds of fuel.

That is a pretty good return on 8,000 pounds of investment.

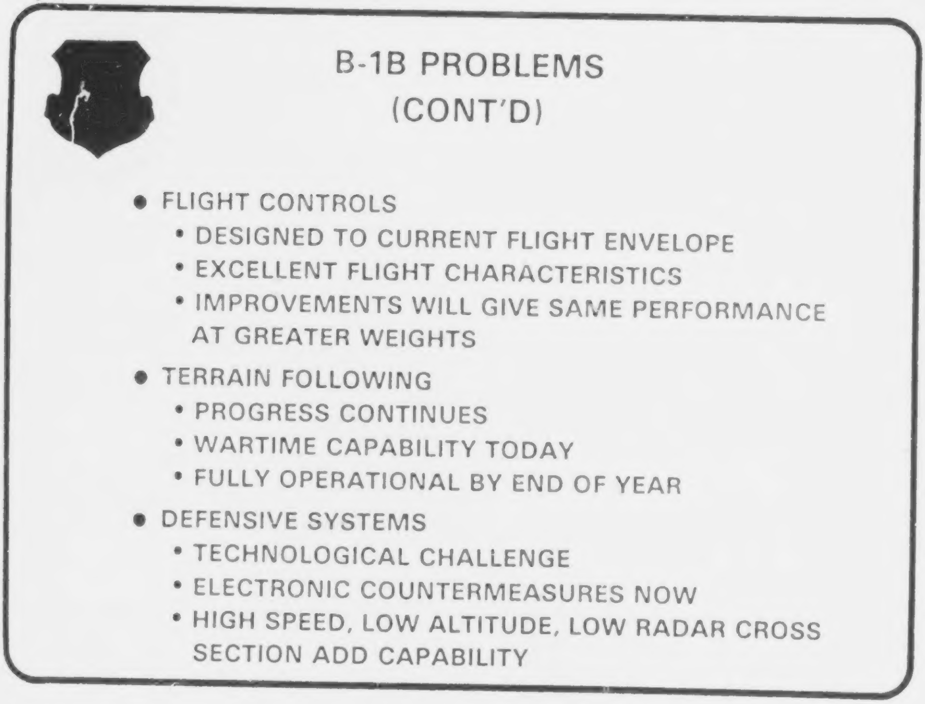
Another criticism is that fuel leaks.

I am obviously dissatisfied when we have an airplane that leaks fuel.

The basic design was to take the cavities in the aircraft, seal it around the cracks, fill it up with gas—and it leaked because of poor quality control in the factory when it first came out.

We had to go in and fix those first airplanes. The ones we are getting now do not leak. But I will predict that as they fly more missions, we will end up fixing the fuel tanks 30 years from now on the B–1.

Certain airplanes just happen to be leakers and seepers, and from a combat capability, I don't have one airplane today that I cannot send to war, this afternoon, because of fuel leaks. It is just not the big issue today. It was for the first couple of airplanes that we got, but the issue is basically behind us.



B-1B PROBLEMS (CONT'D)

- FLIGHT CONTROLS
  - DESIGNED TO CURRENT FLIGHT ENVELOPE
  - EXCELLENT FLIGHT CHARACTERISTICS
  - IMPROVEMENTS WILL GIVE SAME PERFORMANCE AT GREATER WEIGHTS
- TERRAIN FOLLOWING
  - PROGRESS CONTINUES
  - WARTIME CAPABILITY TODAY
  - FULLY OPERATIONAL BY END OF YEAR
- DEFENSIVE SYSTEMS
  - TECHNOLOGICAL CHALLENGE
  - ELECTRONIC COUNTERMEASURES NOW
  - HIGH SPEED, LOW ALTITUDE, LOW RADAR CROSS SECTION ADD CAPABILITY

SLIDE 24

FLIGHT CONTROL FOR B–1A

General CHAIN. Flight controls were designed for the B–1A, and then, when we started making that heavier aircraft, the flight controls had to be modified. I think that is certainly reasonable.

I have flown the airplane and don't have any problems with it at any altitude or any air speed. But to get the max capability out of it, particularly when we put the cruise missiles on it, we are going to have to have better flight controls, and the engineers are in the process right now of developing the flight controls. So that does not bother me.

What about terrain following? We want to be able to fly automatic terrain following, and, of course, the pilots do not touch the controls, and the software in the first versions of the airplane caused it to see false terrain and to have what they call "fly-ups." If it sensed the false terrain, it flew up.

We have worked the bugs out of that. We are now getting new software this month and the guys will be flying daily missions at 1,000 feet. If they have to go lower, all they have to do is push another button, and they are down to 200 feet.

So that problem is behind us. But the problems that I worry about and that upset me are in the defensive systems.

B-1 DEFENSIVE SYSTEMS

We have pushed the state of the art with the defensive systems. Each individual box works well. But when they linked them all together, there were problems. We have to get ourselves out of these problems, and I am leaning very hard on Systems Command to do that.

I met with them again yesterday. They tell me that we are coming along with that.

General Randolph is going to be in later today. You may want to talk to him more on the defensive systems. But, as the operator, I obviously want better defensive avionics systems. Also, as the operator, this is not precluding me from doing my wartime tasks today.

Senator JOHNSTON. Mr. Chairman, may I ask a question at this point?

Chairman STENNIS. Yes; we will welcome questions, of course. But we hope that he will be permitted to take his general course in his briefing.

Senator JOHNSTON. I just wanted to say that Les Aspin says that the [deleted].

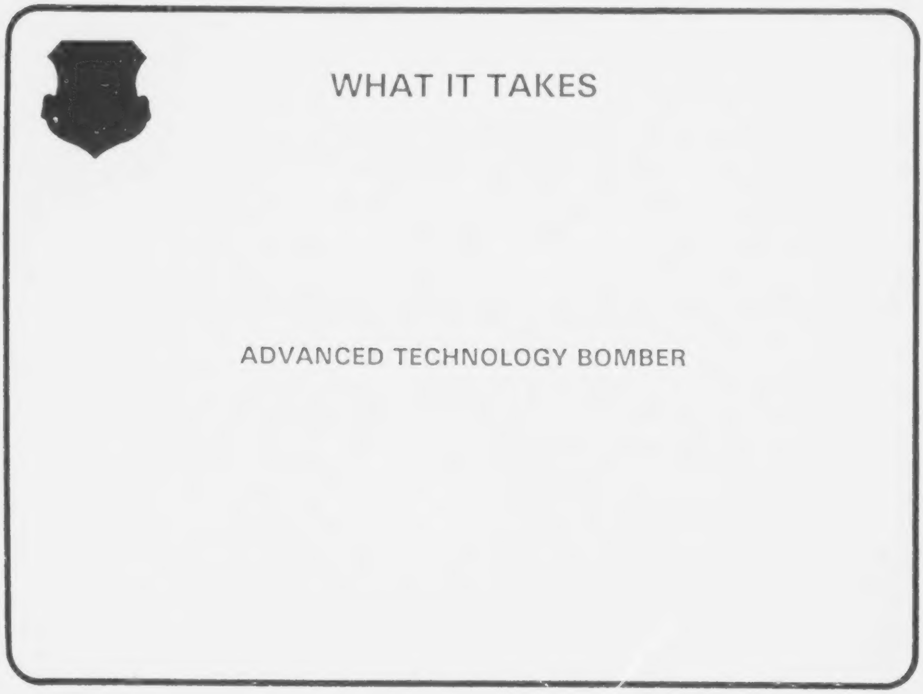
Is that right?

General CHAIN. [Deleted.]

Senator JOHNSTON. Would you go to war with that?

General CHAIN. Oh yes, sir. Today.

Chairman STENNIS. All right, General. Proceed in your own way.



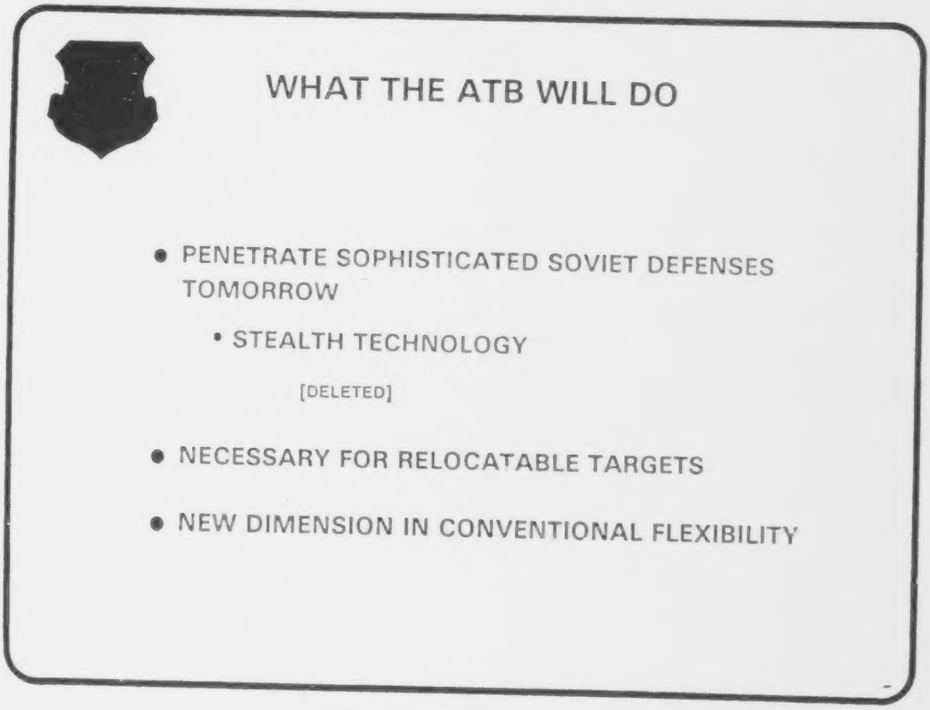
WHAT IT TAKES

ADVANCED TECHNOLOGY BOMBER

SLIDE 25

ADVANCED TECHNOLOGY BOMBER

General CHAIN. Sir, I would like to shift quickly to the Advanced Technology Bomber. I know that you have another briefing on that, so I won't go into any detail.



WHAT THE ATB WILL DO

- PENETRATE SOPHISTICATED SOVIET DEFENSES TOMORROW
  - STEALTH TECHNOLOGY

    [DELETED]
- NECESSARY FOR RELOCATABLE TARGETS
- NEW DIMENSION IN CONVENTIONAL FLEXIBILITY

SLIDE 26

General CHAIN. I will just tell you from the operator's point of view that for it to be able to do the things that I need a bomber to do tomorrow, I will need the ATB, particularly for this mission: [Deleted.]

WHAT IT TAKES

COMMAND CONTROL

Slide 27

COMMAND CONTROL

General Chain. I would like to talk briefly about command and control.

WHAT COMMAND CONTROL DOES

- PROVIDES ATTACK WARNING AND ASSESSMENT
- ENHANCES SURVIVABILITY OF WEAPONS SYSTEMS
- CONNECTS NCA TO COMMANDERS AND FORCES
- SUSTAINS FORCE MANAGEMENT ACROSS SPECTRUM OF CONFLICT

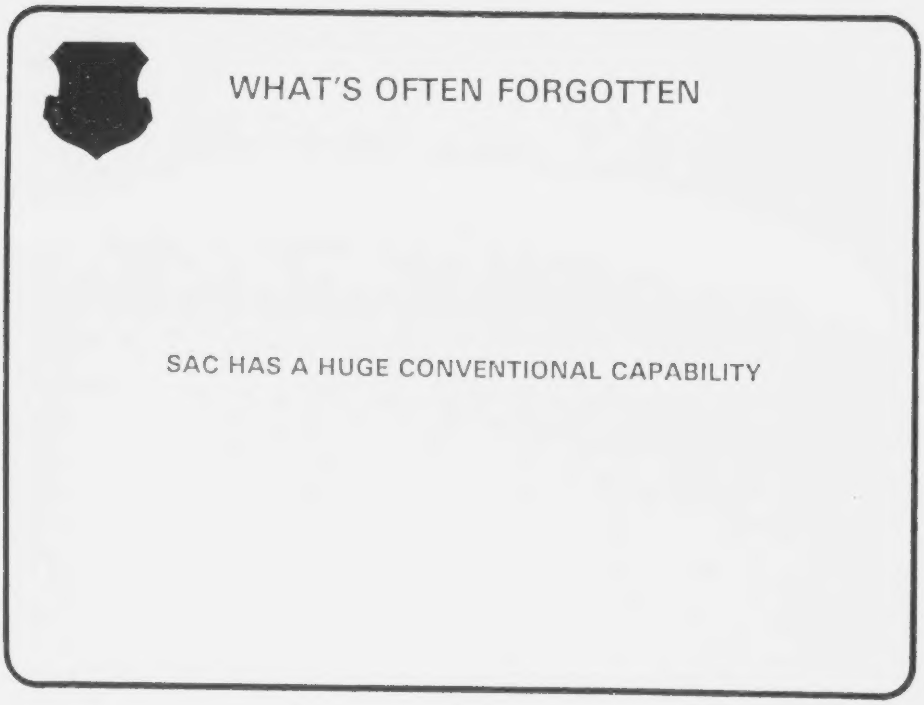
BOTTOM LINE

- COMMAND CONTROL SYSTEMS MUST BE AS SURVIVABLE AND ENDURABLE AS THE FORCES THEY SUPPORT--AND RECEIVE THE SAME PRIORITY

SLIDE 28

General CHAIN. If we have all of these forces, we obviously have to be able to give them direction, and we have money in the budget. We have had billions of dollars through the years, and this is something that will go on for years in advance. But we just cannot—meaning "we," the operator—just cannot forget that the command and control is critically important to us.

The bottom line is if I don't have command and control, then all of these forces that I have won't be able to be employed as well as we should.



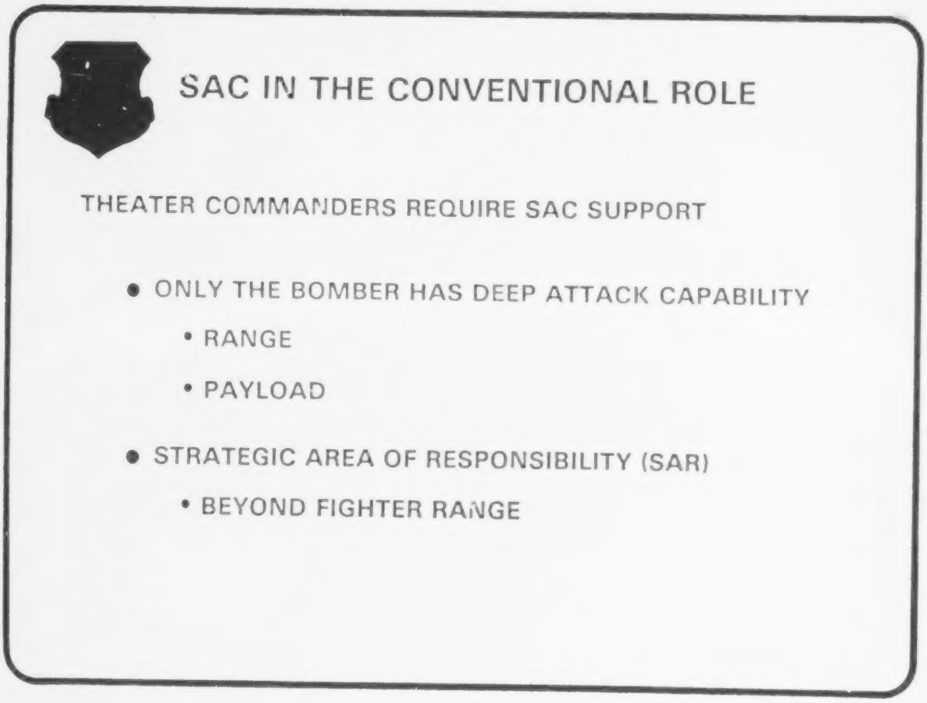
WHAT'S OFTEN FORGOTTEN

SAC HAS A HUGE CONVENTIONAL CAPABILITY

SLIDE 29

SAC CONVENTIONAL CAPABILITY

General CHAIN. I would like to shift to another area that I feel very strongly about and that I think we, in the Strategic Air Command, have only paid lip service to in the past. This country has huge, latent capability in our bomber force in the conventional arena.



SAC IN THE CONVENTIONAL ROLE

THEATER COMMANDERS REQUIRE SAC SUPPORT

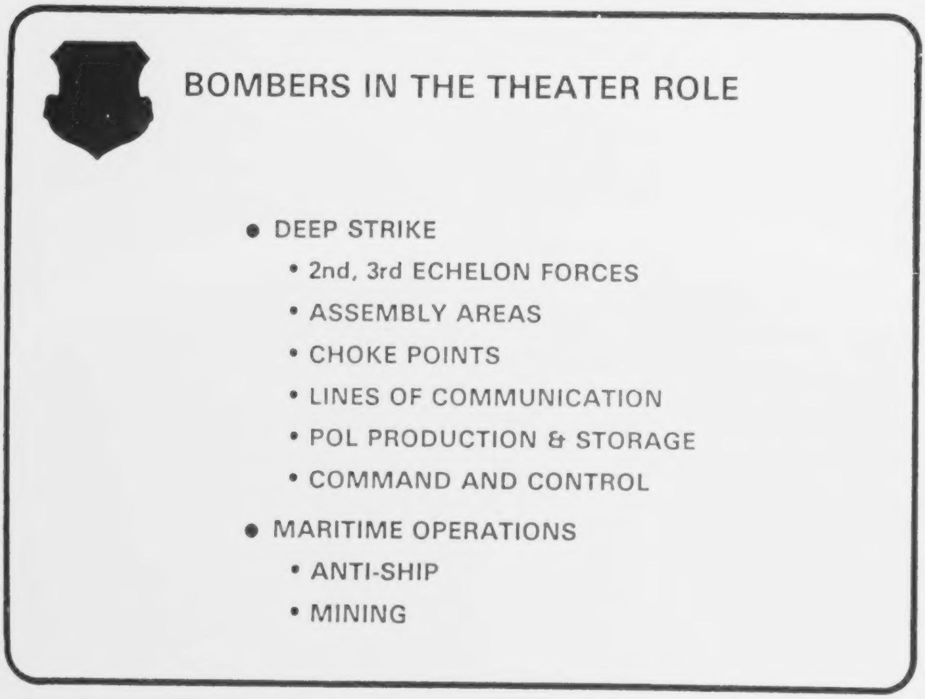
- ONLY THE BOMBER HAS DEEP ATTACK CAPABILITY
  - RANGE
  - PAYLOAD
- STRATEGIC AREA OF RESPONSIBILITY (SAR)
  - BEYOND FIGHTER RANGE

Slide 30

General Chain. General Rogers over in Europe, Admiral Hayes in the Pacific, and General Crist in the Central Command, all have a requirement to be able to improve their conventional combat capability. And with a bomber that we have, it can go the distance and carry the payloads that we need to be able to participate in that.

I was over meeting with General Rogers here in January, and we were talking about [deleted].

I believe that you are going to see this command working very hard in the years ahead to develop this capability for this country. We already have sunk in an investment in this airplane. We are still modifying the airplane so that it is a good weapon system, and we want to be able to use that for the support of the theater's sake so that we don't need to get into the nuclear role.



BOMBERS IN THE THEATER ROLE

- DEEP STRIKE
  - 2nd, 3rd ECHELON FORCES
  - ASSEMBLY AREAS
  - CHOKE POINTS
  - LINES OF COMMUNICATION
  - POL PRODUCTION & STORAGE
  - COMMAND AND CONTROL
- MARITIME OPERATIONS
  - ANTI-SHIP
  - MINING

SLIDE 31

DEEP STRIKE CAPABILITY

General CHAIN. It can do these types of things: deep strike, in and behind enemy lines for 500 miles beyond the area, to as far back as we need to go. Our airplane can go 2,000 miles unrefueled and come back to the same base they took off from.

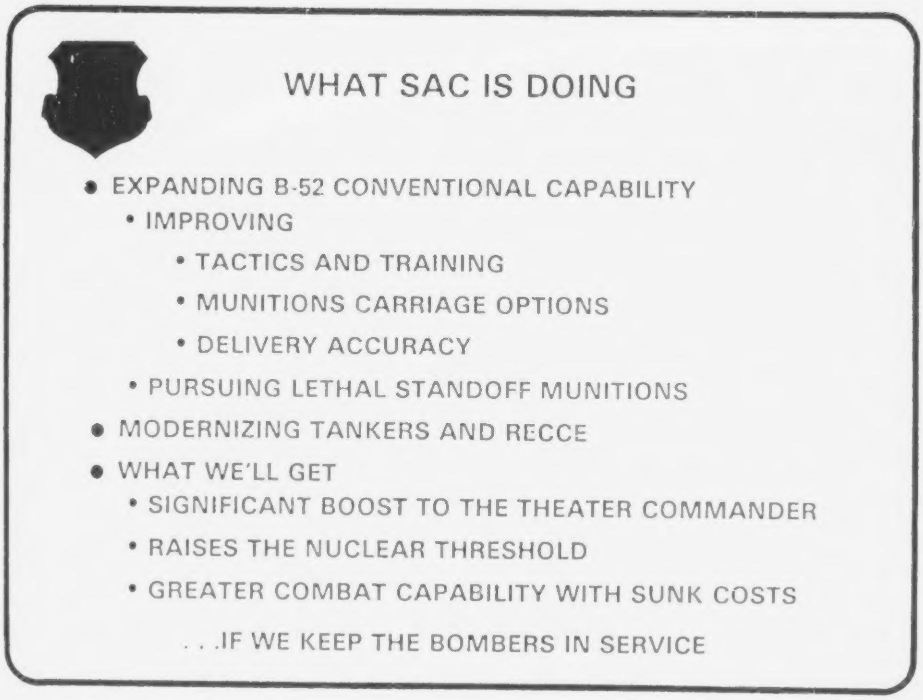
We also participate in maritime operations. I have a squadron up at Loring Air Force Base [deleted]. We have another squadron out at Guam, [deleted] both committed to the sea [deleted] Commander in Chiefs [CINCS].

[SLIDE NO. 32 CLASSIFIED]

General CHAIN. The types of missions that we could fly with conventional, just for example, going out of Guam, we could hit targets in Southeast Asia; going out of the southern part of Europe, we could go up through the Balkans and hit targets in the eastern part of East Germany and Poland and the western part of the Soviet Union, Czechoslovakia, and Hungary, Bulgaria, and Romania. The point is this can all be done without even using refueling, where the fighters cannot reach.

The same thing would be true for General Crist over in the central area; [deleted] we could range anything in his area of responsibility.

We just have paid off the sunk cost of the airplane. It is just silly to me if we do not capitalize on that investment.



WHAT SAC IS DOING

- EXPANDING B-52 CONVENTIONAL CAPABILITY
  - IMPROVING
    - TACTICS AND TRAINING
    - MUNITIONS CARRIAGE OPTIONS
    - DELIVERY ACCURACY
  - PURSUING LETHAL STANDOFF MUNITIONS
- MODERNIZING TANKERS AND RECCE
- WHAT WE'LL GET
  - SIGNIFICANT BOOST TO THE THEATER COMMANDER
  - RAISES THE NUCLEAR THRESHOLD
  - GREATER COMBAT CAPABILITY WITH SUNK COSTS

. . .IF WE KEEP THE BOMBERS IN SERVICE

SLIDE 33

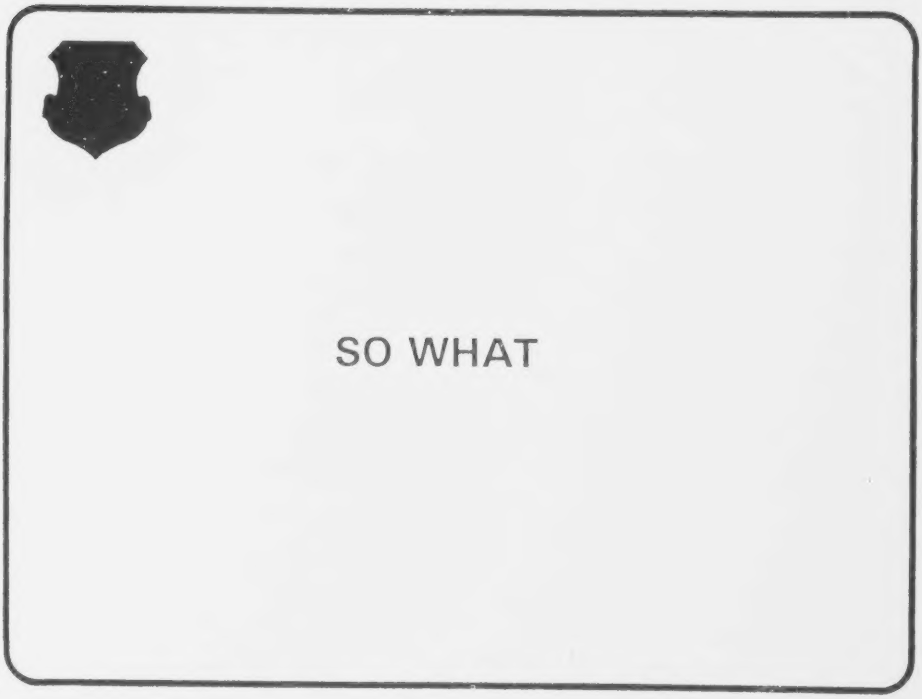
CONVENTIONAL MISSION

General CHAIN. So these are the things that we are doing right now. Starting January 1, everybody in the command is training to be able to do the conventional mission, and it is not at the sacrifice of the nuclear mission. I am not asking for any more flying time to be able to do it.

We are just rebalancing what we are doing on training.

We are developing new tactics, techniques, and procedures. The pilots are flying right now with [deleted]. The bottom line is that we are going to increase our combat capability with the costs that are already sunk.

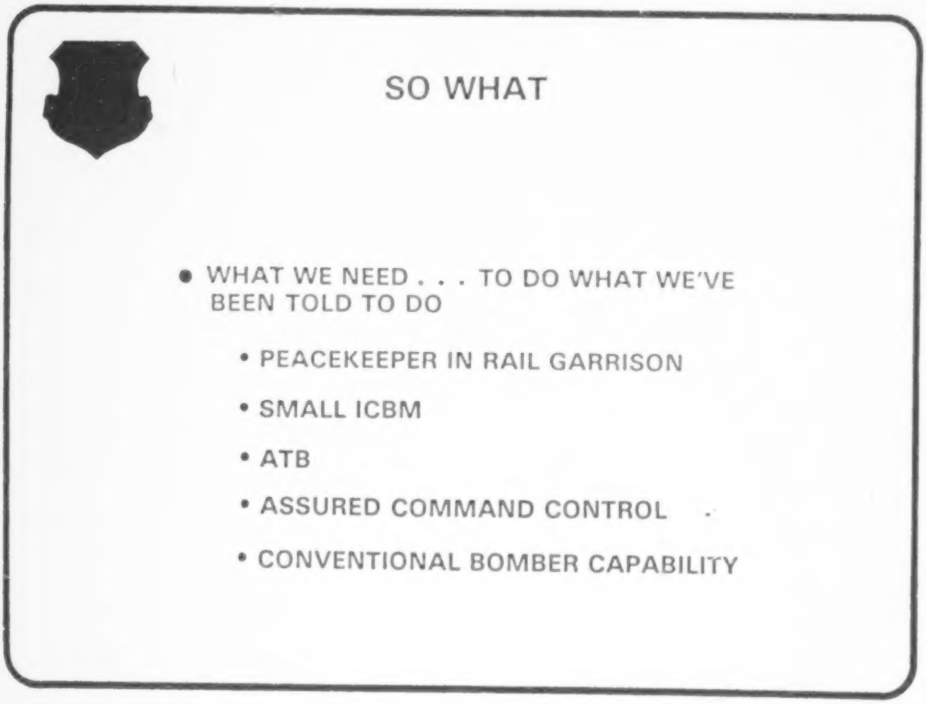
But to do that, we are going to have to keep the bombers in the service. Right now, the long-term plan is because they are not going to be used in the nuclear role, we are going to take them out of service, which, to me, is a huge waste of monies that you have provided.



SO WHAT

SLIDE 34

General CHAIN. So, what?



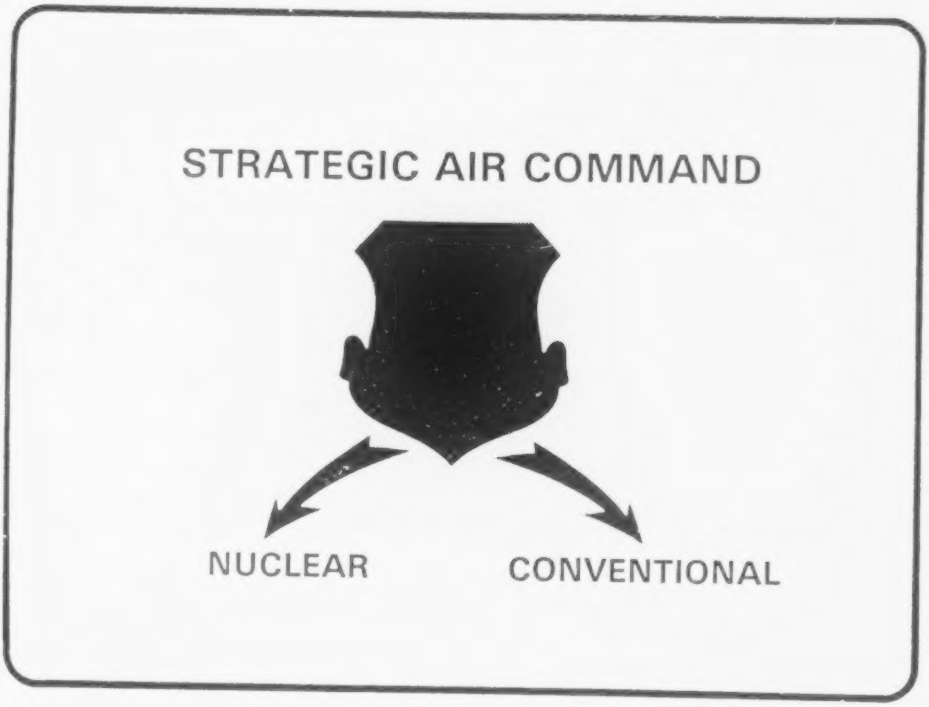
SO WHAT

- WHAT WE NEED . . . TO DO WHAT WE'VE BEEN TOLD TO DO
  - PEACEKEEPER IN RAIL GARRISON
  - SMALL ICBM
  - ATB
  - ASSURED COMMAND CONTROL
  - CONVENTIONAL BOMBER CAPABILITY

SLIDE 35

SAC REQUIREMENTS

General CHAIN. The bottom line that I have been talking about today is to do the tasks that I have been given to do. These are the things that I need [indicating].



STRATEGIC AIR COMMAND

NUCLEAR

CONVENTIONAL

Slide 36

CONVENTIONAL CAPABILITY OF SAC

General Chain. I just would like to remind you one more time that when you think of the Strategic Air Command, I would hope that you would think of us in addition to being a nuclear command, that you would also recognize and think of us as a conventional command.

Thank you, sir.

CHAIRMAN STENNIS QUESTIONS

Chairman Stennis. Well, you are ready to continue. Did you want to continue further yourself?

General Chain. No, sir; I am ready to respond to your questions.

Chairman Stennis. You are ready for questions? Good.

Well, now, I have a considerable number of questions here, gentlemen.

Let me ask you just a very few questions, with the idea, if it is agreeable to the membership, to put the rest into the record, so that the General and his assistants will have a chance to survey the questions and file their answers.

Now you know that we believe in a strong national defense. We want you to have what you need, and the people do too. The people, after all, are the ones who pay the money bills. They don't have any money to waste and they don't have any money to spare.

STRATEGIC-CONVENTIONAL FORCE BALANCE

If we do now decide that in our judgment, the majority judgment, anyway, that you have to cut defense spending some—I am not trying to put you on the spot, but do you believe that, in that event, the three programs are more important to national defense than the conventional forces?

Is that framed where you can give a balance to it?

General CHAIN. I am afraid that I would have to answer yes. It is painful to say that, but, without the strategic background and umbrella, then all of the conventional defense in the world does not do us any good. If you carry it to extremes, if we have only a huge amount of conventional forces and no nuclear forces, our country will be in grave peril.

Conversely, I happen to be a very strong believer in enhancing the conventional defense. That is why I am trying to maximize everything I can do in the Strategic Air Command, to get the Strategic Air Command to help in a conventional role, so that we never have to get to the nuclear ladder.

B-1 FUNDING

Chairman STENNIS. Well, I don't mean to put it bluntly, but I find myself confronted with this. The old B-1—we had that. We nursed it along. The committee did. I am talking about the authorizing committee, the Armed Services Committee.

I thought it had had its day in court and its day of service, too. It looks to me now that you have come back and said that we have to rig it up again, that we have a demand and use for it.

What is your answer to that?

General CHAIN. I think the B-1 is a success story. It's come in on time, it's coming in under cost, and that is why the Air Force can come back, saying we need about $600 million of the $1 billion that had been cut from the $20.5 billion that we said we could build it for, to be able to continue testing and to fix the things that we find wrong in the tests.

I think it has been a huge success story. I think that people who have been mugging the B-1 basically have taken some things and have blown them completely out of context.

Five years ago, I didn't know that I was going to be in the Strategic Air Command today, and, if you had asked me where would the B-1 be today, I would have predicted just about where it is. All new weapons systems—these are warplanes, they are not airplanes. There is a major difference.

An airplane is something that we buy for commercial airliners, and you don't need to push the state of the art.

With a warplane, you have to push the state of the art. Otherwise, it is no good to you. So, when you push the state of the art, you are bound to have some problems in maturing it. Every airplane I have ever been associated with has had those problems. I was a wing commander of an F-15 wing, the first F-15's we had. The radar didn't work. We had stalls in the engines, and had a ramp full of airplanes that did not have engines in them. The Electronic Countermeasures [ECM] didn't work. We even came up with a term that we called a limited operation capability.

I defy anybody to find a better airplane in the world today than the F–15. When we got the F–16, it was a fly-by-wire aircraft, which was where you move the controls and straight electricity goes back and moves the flight controls. We had people that are dead because of electrical problems in the F–16. And that is a great airplane today.

The F–111, when it came into the inventory, had wings fall off. And it is a great airplane today.

So, you show me a warplane that does not have problems when it first comes into the inventory. I don't think you can do that.

So, I am not the least bit surprised, nor am I the least bit disappointed with where we are with the B–1 today. I think this is how airplanes come into the inventory.

MX-SMALL ICBM PRIORITY

Chairman STENNIS. Well, we may come to questions like this. If it becomes clear that the country is not willing to support both the MX and the SICBM programs, which is of higher priority for SAC?

That may be an impossible situation to your way of thinking, but these things do take that trend sometimes. It just solidifies everything as a whole, and the country just does not want at all to support certain weapons. For one reason or another, it doesn't have a favorite. And we do have to make a choice.

I think the average fellow, the Member of the Congress, of the Senate, he wants to provide enough. But we just have to make choices in these weapons.

Do you mind—I feel like you do not mind it, of course—going into those things, and giving us your opinion. Either now or later, give us your opinion about the choices between various weapons.

General CHAIN. Yes, sir.

Chairman STENNIS. We have to have choices from somewhere that will help us make those decisions. Now I would rather get it from you gentlemen than to read it in a funnybook or something like that, with somebody trying to be smart who doesn't know the subject and so forth.

Would you comment on that situation some. We are going to take all of the time that is needed here to get all of this stuff proven, but it sometimes moves pretty fast and we have to make quick decisions.

GENERAL CHAIN ANALYSIS

General CHAIN. Being CINCSAC, my responsibility is combat capability. And the combat capability that I need is to be able to have a highly accurate, hard target killer weapon.

The Peacekeeper fits that category. The small ICBM fits that category. So either one satisfies my requirement from a combat capability requirement.

The second 50 Peacekeeper in the rail garrison mode gives me 500 warheads that will be able to meet my requirements to go against hard targets.

Equally, 500 small ICBM'S would give me the same 500 warheads to go after those same sets of targets.

So, from the combat commander's point of view, I would be very happy if you would only give me one of them. I would be happy to accept either one. I feel that I owe you the conversation that I need them both. But if you said that I could only have one, I could go to you and say from combat capability, both of them have great merits on each side, and I could do my task with that limited number either way that you wanted to go.

When it goes from my hands to your hands, you must worry about the budgetary implications of one system over another.

Now, the military has met its responsibilities, and we have programmed over $2 billion in each of the next year's budgets to develop the small ICBM. We also are requesting funds to develop Rail Garrison Basing. We have already given up capabilities that we would like to ensure those programs are fully funded. So decisions on the relative merits of these systems, when it comes to cost, are beyond my level. It is going to end up being a matter of cost. What I sincerely hope—and if I didn't say anything else at this meeting today—what I sincerely hope is that the issue does not become a partisan one. This is a national program. The country needs these weapons systems, and I sincerely hope that no one lowers the standards by saying that one is a Republican or a Democratic or an independent missile. That approach just cannot be allowed to enter into the conversation.

Our country needs this hard target capability, and with either Peacekeepers in rail garrison or small ICBM, I can field that capability for you.

Chairman STENNIS. All right. You have made a good statement and we value your testimony. Gentlemen, let us try for some questions. I would like for you all here to have a part in this dialog. Let us try to see how far 10 minutes will take us.

I call on you, Senator Johnston.

Senator JOHNSTON. Thank you very much, Mr. Chairman.

General Chain, I want to congratulate the Air Force on coming up with what seems to be a very good deployment mode, this rail garrison mode. I hope it is not too good to be true.

BOLT OUT OF THE BLUE FOLLOWUP

On this question of bolt out of the blue, I have been persuaded that it is not practical because there are so many things you have to do before you make the bolt out of the blue. Would you discuss that?

General CHAIN. I would be happy to, sir. First of all, we watch the Soviet Union like hawks. You people in your wisdom have given this country a great amount of intelligence gathering capability. You just do not put together a war machine to be able to attack just like that.

Senator JOHNSTON. Let me interrupt. The bolt out of the blue would really have to be [deleted].

General CHAIN. [Deleted.]

Senator JOHNSTON. Now, ICBM's have enough flight time. Could you get your rail things out of the garrison in 30 minutes?

General CHAIN. I am not going to try to get my rail out of the garrison in 30 minutes. If the country got into the position where it had a bolt out of the blue, then the ICBM, the rail garrisons, would be fired from the garrison.

But I personally completely reject the concept of bolt out of the blue, that there will not be some crisis or confrontation in the world whereby the Soviets will have to risk their whole nation, because we have forces sitting all over today where their whole nation is going to end up being destroyed.

I have a whole stack of warning indicators that I look at every day, and I would be happy, if the committee would like to see the types of things we track and the people that do this—it is just inconceivable to me that a bolt out of the blue could be pulled off by the Soviet Union.

You just do not risk your country trying to do something as dumb as that.

Senator JOHNSTON. In a bolt out of the blue, we would have the ability—the most successful bolt out of the blue would destroy what percent of our ICBM forces?

General CHAIN. [Deleted.]

I am postured right now where we are talking about minutes to get the missiles launched. That is no difficult thing to do.

SMALL ICBM

Senator JOHNSTON. Well now, I am persuaded that you are right, and if you are right, that bolt out of the blue is not a real risk here. Then why do we need the small ICBM? This is more accurate, it is certainly cheaper. The cost of this is somewhere around $10 or $12 billion, is it not?

General CHAIN. Yes, sir.

Senator JOHNSTON. And the small ICBM is $40 or $42 billion?

General CHAIN. Conservatively, I would say the small ICBM is going to be four times the cost per warhead.

Senator JOHNSTON. Then why do we need both?

General CHAIN. As we draw down the older missiles, the Minuteman II, that already have exceeded their life expectancy, as the Minuteman III gets older it someday will have to be replaced, the small ICBM would be a nice additive to our force structure.

RAIL MOBILE ICBM'S

Senator JOHNSTON. Could you deploy more than 50 rail mobile ICBM's?

General CHAIN. Yes, sir.

Senator JOHNSTON. What would be the limit on that?

General CHAIN. I have not looked into it, but theoretically there would not be any limit. I would want to keep them on military reservations and I would not want to bunch them all up on any one base. They could be on lots of bases.

It is no conflict with the day-to-day activity on a base, and it is no conflict with the people in the surrounding communities, because they are just like the B–52 locked up behind the fence.

Senator JOHNSTON. Would it be practical to take the first 50 and redeploy on rail mobile?

General CHAIN. The first 50 would be in the ground, sir, by December of next year. So we are talking in the vicinity of 18 to 20 months. The second 50 should have an Initial Operational Capability [IOC] in 1991, because it is going to take us a couple of years to prudently——

Senator JOHNSTON. I understand that. But is it practical? Those jackets, those half-steel jackets, are they the same kind?

General CHAIN. Exactly. So after we deploy the second 50, we go back and make a decision to take the first 50 out of the holes in the ground and deploy them—that decision may be worthwhile.

The bottom line of that, Senator, is I need 100. So it is not whether we take the first 50 out and put them on a train and that enhances my combat capability. It does not. I need 100 Peacekeepers to be able to do the task that I have been given to do.

Senator JOHNSTON. Now, the Air Force for the next year I understand is going to be studying this problem of rail mobile ICBM to determine if there are any bugs in it. You have not actually made the decision. You have made the decision to seek your initial monies for that?

General CHAIN. Yes, sir.

POTENTIAL RAIL DEPLOYMENT PROBLEMS

Senator JOHNSTON. What are the kinds of problems that you will want to check, and what degree of confidence do you have now that those problems will not be a problem?

General CHAIN. As the operator, the biggest concern I have is that we are going to find a fallacy or a bug. And right now, that is the thing that—well, it does not keep me awake at night, but it is sort of an underlying cause of concern, because we have not found any stumbling blocks.

For one thing, it is very nice that the missile was designed that it is thrown out of the tube and then ignites when it is in the air, which reduces the technological problem of firing it from a train. The engineers tell me that is no big deal.

We have Union Pacific out there in Omaha and we have met numerous times with the people downtown to try to learn more about the train business. And everything we have raised, they just say: Well, give me the problem; that is no problem, that is no problem, that is no problem. They have not laid down any problem and they do not have a parochial interest in it, because it may or may not even ever cross their tracks.

So I do not see any problem with the train. I do not see any problem with firing the missile. I do not see any problem with the concept. But somewhere as we work on development, something—maybe when a missile rides on a train it jiggles something loose. I do not know. But we have not found a problem.

Senator JOHNSTON. Do you have a fairly high degree of confidence in that, then?

General CHAIN. I have an extremely high degree of confidence; yes, sir.

Senator JOHNSTON. Well, General, as I read you here, reading between the lines, what you seem to be telling me is that the rail mobile missile, you have a high degree of confidence in a very good weapon system that has no problems at all, and you are sort of taking the Midgetman because the Air Force, Department of Defense has given you that as policy and that is kind of what you are supposed to say, but there is really not much of a case to spend $40 billion when we have got a very good system, a rail mobile system.

General CHAIN. I think that was a statement, not a question, so I hope that I do not have to respond to that. [Laughter.]

Senator JOHNSTON. That is a pretty good answer.

B-1 RADAR CROSS SECTION

One final question. [Deleted.]

General CHAIN. Yes, sir.

Senator JOHNSTON. What is the cross section sideways?

General CHAIN. I do not know. I will get that for you. I honestly do not know.

[The information follows:]

B-1B RADAR CROSS SECTION

The RCS of the B-1B has not been measured at side angles. These measurements are being made this year. We expect the RCS on the side to be larger than from frontal aspects. However, this is not a problem since side attacks on any aircraft have a small probability of success.

RADAR CROSS SECTION

Senator JOHNSTON. Now, is the problem with radar cross sections that they will be able to be picked up by the phased array radars as they come in for the attack, or rather by their equivalent of the Advanced Medium-Range Air-to-Air Missile [AMRAAM]?

General CHAIN. Not the AMRAAM, sir.

Senator JOHNSTON. I mean some air-to-air missile or ground-to-air missile.

General CHAIN. The early warning radars that can then launch the fighters against us and say, you know, where the fighters should go and look, and also for the early warning radars to be able to tell the Surface-to-Air Missile [SAM] the direction to look.

One of the advantages of a bomber is, because of its range capability, it does not have to just go from point A to point B. It can skirt around these things.

Senator JOHNSTON. And the SAM's—do the SAM missiles always shoot toward the nose?

General CHAIN. [Deleted.]

And one of the nice things about a bomber, if we ever had to launch them, is there will be a nuclear laydown by ICBM's and SLBM's in particular, because the Submarine-Launched Ballistic Missile [SLBM] does not [deleted].

So that, coupled with a low radar cross section, it's going to be a very good weapon system, both in the nuclear and the conventional role for many, many years.

Senator JOHNSTON. Thank you, General.

General CHAIN. Thank you, Senator Johnston.

Chairman STENNIS. Thank you, Senator.

Senator Stevens.

Senator STEVENS. Thank you, Mr. Chairman.

CONVENTIONAL ASPECTS OF B-52

I am interested in your emphasis on the conventional aspects of the B-52, General. I remember so well that the presentation was made on the need for the B-1 because of the fact that the B-52 is aging, and we projected out the cost of the operation of the B-52 fleet as compared to the cost of the operation of the new B-1, and we showed that there was really a downstream saving by moving into the 100 B-1's.

Now, as I understand your comments, you are saying that you really would like to project keeping the B-52's on line and using them for an extended period. Have you quantified the cost of that operation and maintenance for the B-52's for the next 10 or 15 years?

General CHAIN. Yes, sir; we have. For the next 5 years in particular—and I can submit for the record the detailed amount of monies.

[The information follows:]

B-52 OPERATION AND MAINTENANCE COSTS

The operation and maintenance [O&M] cost estimates for the B-52G and B-52H follow for fiscal years 1988-92. Costs are expressed in millions of then-year dollars and assume that 167 B-52G's are retained in addition to the 96 B-52H's currently projected for outlying years. By assuming all B-52G's are retained, these cost estimates reflect an increased flying hour program over what was submitted in the fiscal year 1988 President's Budget.

	FY88	FY89	FY90	FY91	FY92
B-52G	504.5	512.2	536.1	553.4	589.1
B-52H	233.2	253.5	261.6	269.7	273.9
Total	737.7	765.7	797.7	823.1	863.0

CONVENTIONAL CAPABILITY IN EUROPE

General CHAIN. My concern, Senator Stevens, in my previous assignment I was Chief of Staff at SHAPE, working for General Rogers, and recognizing his need to increase the conventional capability over there in Europe [deleted].

COST CONCERNS

Senator STEVENS. Why would you not just target that with one of your missiles? What worries me about this is I want to warn you that I am going to compare what you are giving us for the record now, what you are saying now, with what you gave us when you testified on the B–1.

I am one of the ones who converted to support the B–1. I was opposed to it and thought the 52's would last until we got the ATB's, and we had such a case to make. Your predecessor destroyed that argument by what I am telling you, the figures he gave us, which are in the record in 1981 showing that the B–52 cost was exorbitant, that we were flying planes that were built in Harry Truman's day. And there are not many people driving to work, I remember your predecessor telling me, in a 30-year-old car.

Now, we had boys out being killed flying those old vehicles. My friends will remember the stories about the wheels coming off and the whole thing about the 52's. Now, we had a parade of horribles that led us into the B–1's. Now you are telling us that we are going to still fly the 52's, and I project immediately an operational cost out there to maintain the 52's, as well as the B–1's, and bring in on the ATB's.

And I have got to tell you, you are eating your own lunch. It is like keeping crossbows on the front lines in World War I when they had the Gatling guns or whatever they had at that time.

It is not possible for us to maintain all of these systems. Some of them have to be retired, and I think it is time that we face up to the problem of modernization and the costs of maintaining the new equipment. I say that to you advisedly, because you are going to lose the support.

We just went over and looked at the B–52's. Incidentally, I am interested in the fact that operationally no one ever told us until we got to Guam that you cannot fly lower than 10,000 feet over the Philippines and, therefore, you fly all the way over to Australia to run low-altitude training runs. The operational cost of that additional distance—some of these things boggled my mind.

I am getting to be like the Senator from Mississippi in terms of the cost of these things that are projected. No one ever said about that 10,000-foot limitation to us and why you are flying on over to Australia. We went over to Guam and found out.

I would like to have you come in and give us some—and I say this advisedly. I am not asking questions. I am making a statement. This briefing is supposed to be secret. I have read five secrets in here that I have read in Aviation Week. I really do not see much classified in this. I think you are going to have to help those of us who want to support you, get some information to support where you are going.

I am really serious. On this small ICBM, you said it was nice to have it, that it would be nice to have it. I respect your position, but do you need it now? Do you need the ICBM funded in this budget?

General CHAIN. I need the capability that the Peacekeeper is going to provide in the time that it will come in. We are going to need additional capability in the 1990's in the ICBM as we continue the modernization program. That is why the Air Force has fully funded both programs.

PEACEKEEPER-SMALL ICBM FUNDING

Senator STEVENS. Well, that is a luxury you can afford because you have this 3 percent on top of last year that I do not expect you to get.

The Senator from Mississippi asked you, in effect, I think, which do you really want. Do you want the Peacekeeper to continue on production until we get the 100, or do you want the Peacekeeper budget reduced down so that we can start the small ICBM?

That is, in effect, which I thought he asked you. And you said you do not want to have to answer that question. We have got to answer the question, General. Now, I want you to answer me. Which do you need this year, the Peacekeeper ongoing or the ICBM, the small ICBM starter?

General CHAIN. Senator, I support the President's Budget and they are both in the budget. If it came down to a choice of taking some money out of one to save the other, I would certainly want to keep the Peacekeeper going at the current rate. It is a proven weapons system.

But I am a supporter of the small ICBM.

Senator STEVENS. I understand. So am I. But when we can afford it.

My last question will be this. I do not want to monopolize this time. I know there are others who have questions.

Chairman STENNIS. Let me say this. That answer, as I understand it, helps us. It is worth something. That is why we are having a hearing.

RAIL DEPLOYMENT ACCESS

Senator STEVENS. Yes, sir.

In 1979, in 1980, and again in 1981, some of us urged using a rail deployment for the MX's. We were told at the time you do not have an air control system out there in railroads, you really cannot get control enough so you can really dispatch in terms of an emergency period, just deploy those missiles out on the rail.

Are you telling me now that you do have a system that will give us the capability to access those rails in this very congested area of our country in the event of an emergency?

General CHAIN. Yes, sir.

Senator STEVENS. You have a rail control system that will give you priority over all those rails without disclosing, in effect, where they are going?

General CHAIN. From my work with the Federal Railroad Administration and with one railroad company, I am personally convinced that, yes, we can do what you just asked. As we go through it, in response to

Senator Johnston's question, that is one of the areas that is going to have to be gone through with a fine-tooth comb.

Next week I am spending a full day down at Union Pacific so I can learn more about the railroad business. They tell me that there is no problem. I am not a railroad expert, sir.

Senator STEVENS. Well, I encourage you, sir. I was an early believer in the rail deployment. I still believe in it. If we had done it in 1981, we might still have some railroads in our country. Buffalo are coming back and railroads are the endangered species. [Laughter.]

I think you may be able to save a few if you really succeed with the deployments concept. But I have got to tell you, they have convinced my colleagues and your people convinced our colleagues in 1979, 1980, and 1981 that rail deployment was costly, ineffective, inefficient, and cold not be used in the event of an emergency. Those same people are still here.

And those of us who would like to see rail deployment would like to see you come up with some answers to the questions that they raised in defeating this 6 and 7 years ago.

Thank you, Mr. Chairman.

Chairman STENNIS. Thank you.

Gentlemen, we have not settled on any real system of choosing, except as they come in. I think Senator Cochran was next.

Senator Cochran.

RAIL GARRISON

Senator COCHRAN. Thank you, Mr. Chairman.

Let me ask you if the rail garrison basing mode would not be an added provocation to the Soviet Union if at the time you decided to send the railroad cars outside the garrison that was perceived by the Soviet Union to be just the first in a series of actions that would inevitably lead to the launching of those missiles.

Is that not like cocking the pistol that you are holding to the head of someone? That is the signal that it is going to be fired. Would that not be such a provocative act that it would contribute to instability, rather than stability?

General CHAIN. That is a very good question, sir. But I think the answer is just the opposite. We have about a third of the bombers on alert and almost half the submarines are in port, and all the ICBM's are ready to go. But if we ended up in a crisis, in a confrontation, one of the first things we would end up doing is start bringing up a higher state of alert, more bombers on alert. We would start loading up the submarines and sending them out to sea. At about the same time, we would start deploying the rail garrison out of the base.

So it would be a combination thing. It would not be done lightly. The President would certainly take all of that into consideration, and probably we would be in such a state that I would assume—or perhaps it is false to even assume it, but I would think that he may even call up his counterpart in the Soviet Union and tell him that he was doing that, that we are not going to allow them to coerce us, that we are not going to lose a war, and, therefore, we are going to increase our posture.

If this were our only weapons system, then the logic that you laid out would be a lot more valid. But because we have all of these other weapons systems that would also be generated, I do not think deploying the Peacekeeper out of the garrison would be provocative at all. I think it would be just the opposite. I think it would help stabilize what obviously would have to be at that time a very destabilized situation.

B-1B EXPENDITURES

Senator COCHRAN. In connection with the B-1B discussion that we have had this morning, you indicated that there is going to have to be some additional expenditure in order to fix the things that are obviously wrong with the B-1B at this time.

As I understand your testimony, you indicate that the problems can be solved within the original certified $20.5 billion cost estimate. A significant amount of R&D funding is being requested this year and next, with the expectation being that the fixes will all be installed on a retrofit basis.

Could you provide us, if you have it now, a funding profile for all the years of the B-1B program, including the modifications that you think are necessary to correct the present problems.

General CHAIN. Yes, sir; we can do that. I would like to do that for the record, because I am going to have to get it from the Systems Command. Again, I am the operator, not the builder.

[The information follows:]

FUNDING PROFILE FOR THE B-1B PROGRAM

The funding profile for all years of the B-1B program is listed below:

FUNDING PROFILE FOR ALL YEARS OF THE B-1B PROGRAM

APPROPRIATION	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
RDT&E									
IN CONSTANT FY 81 MILLION DOLLARS	209.8	422.0	645.1	603.1	362.9	192.1	84.4	271.9	154.0
IN THEN YEAR MILLION DOLLARS	219.0	470.9	753.5	731.6	454.7	248.4	112.8	375.7	219.8
PROCUREMENT									
IN CONSTANT FY 81 MILLION DOLLARS	0	1312.7	3037.6	4362.3	5238.5	3282.5	0	0	0
IN THEN YEAR MILLION DOLLARS	0	1612.0	3964.1	5950.2	7391.5	4789.2	0	0	0

General CHAIN. But I met with them yesterday, because I am concerned about that, and that was the point-blank question I asked: Can we do this with the monies that you asked for? And they said, yes, we can. They asked for $375.7 million this year and $219.8 million the following year, and they tell me that with that they should be able to do all of the things we need to do.

B-1B SCHEDULE

Senator COCHRAN. Did they give you any indication as to when these changes or fixes could be installed or would be installed on the 100 B-1B's?

General CHAIN. Yes, sir; and I can give you the flow pattern on that also.

Senator COCHRAN. I think that would be good to have. I think it would be helpful to the committee if we have that profile.

General CHAIN. Yes, sir; we have that and we will get it to you.

[The information follows:]

SCHEDULE FOR FIXING B-1B'S

The terrain following system was released earlier this month for training by SAC crews. It has been authorized for wartime use since IOC and first alert in October 1986.

The Stall Inhibit System is still in flight test. We expect full release to SAC crews by the end of the year. The retrofit of the stability enhancement function, which is not required at this time, will occur in 1989.

The ECM maturation occurs in three steps. The first phase will be provided to SAC this year. The second phase will occur in 1988 and the completion of ECM retrofit will occur in 1989-90, depending on the results of the ongoing development and flight tests.

SOVIET THREAT ASSESSMENT

Senator COCHRAN. In the early part of your briefing, you mentioned that, according to your assessment—and maybe it was DIA's assessment or somebody's—the Soviet Union at this time had the capability to [deleted].

Is that what you said?

General CHAIN. Yes, sir.

Senator COCHRAN. I get the impression from other briefings that I have attended that we are not in that bad a shape. Is this a new assessment? How recently has this been developed as a part of the risk briefing, the threat briefing? I had not heard that put that way before.

General CHAIN. Sir, I cannot give you the date that it started. But I was a member of the Joint Chiefs of Staff 3 or 4 years ago, and that was part of the updated briefings that we were getting then. Before that I cannot tell you, sir, but I would guess 4 or 5 years. I doubt that it is older than that.

Senator COCHRAN. Is that based upon an assessment of the hardened targets at risk?

General CHAIN. No, sir; not just hardened targets. That is all targets.

Senator COCHRAN. Is the submarine missile force included in that?

General CHAIN. Absolutely; yes, sir.

Senator COCHRAN. It is not an exaggeration in your opinion?

General CHAIN. No, sir.

Senator COCHRAN. Thank you very much, Mr. Chairman. That is all that I have.

Chairman STENNIS. Thank you, Senator.

I think Senator McClure should come next, since he was the next one in the room.

Senator MCCLURE. Thank you, Mr. Chairman.

STATUS OF CLASSIFIED HEARING

General Chain, I confess that I am a little bit perplexed by a couple of things that have already been mentioned here. Senator Stevens, as an example, was wondering out loud why this is classified when so much of what we have heard is in the public domain.I do not know of anything that you have said yet that I have not seen outside of classified briefings.

It may well be that it is classified because we may ask a question that gets into an area that not everybody knows about. But the American public is waiting to be persuaded of the truth of our posture, and the American public is putting the pressures on the members of this committee and other Members of the Congress with respect to choices that are made.

If we cannot tell them what we are being told here today, I do not know how we are going to help you do what we both want to do.

GENERAL CHAIN'S COMMAND POSITIONS

Rather than going into that for very long, I want to ask a couple of specific questions. One, your operational command is a strategic area, strategic forces operated by the Air Force, and that does not include strategic forces operated by the Navy, does it?

General CHAIN. Yes and no, sir, in that I have two positions. One of my positions is the Commander in Chief of the Strategic Air Command, which is pure Air Force, although I am a CINC, so my boss is the Chairman of the Joint Chiefs of Staff. I have a second position, that I also work for the Chairman of the Joint Chiefs of Staff, and it is called the Director of the Joint Strategic Targeting Planning Staff.

I have 400 members of that staff, officers. I have a Navy vice admiral who is my deputy. It is Army, Navy, Air Force, and Marines that are on that staff. In that group we do the nuclear planning for this country, and that is where we get back to your question sir, about the targeting. We do the targeting for all of the forces.

So we go and get the Navy and say, if the balloon goes up these are the targets and the times that you are to hit these targets under these options.

Senator MCCLURE. And you make the assignments to the various forces?

General CHAIN. Yes, sir.

OTHER WEAPONS SYSTEMS

Senator MCCLURE. Your purpose in being here today as I understand it is to testify with respect to three weapons systems. The absence of comments about other weapons systems does not mean that you automatically assign these weapons systems priorities?

General CHAIN. No, sir; not at all. That is why in my briefing I try to go beyond my charter, with hopefully the indulgence of the committee, because I cannot just talk about those three if I am going to serve you well.

Senator MCCLURE. I understand that. But I wanted to make certain that we had on the record here today that the testimony, focused as it is necessarily, omits some other portions of the picture.

General CHAIN. Yes, sir.

PEACEKEEPER-SMALL ICBM COST EFFECTIVENESS

Senator MCCLURE. I am very skeptical. I am not a supporter of the Midgetman, because if I understand correctly, the cost of developing the targeting system, the guidance system, is very high. If we were to translate into cost effectiveness, would you be more cost effective with more Peacekeepers or the addition of a small mobile?

General CHAIN. Cost effectiveness, the Peacekeeper comes out way ahead, sir. The only advantage that I get—and it is a significant advantage—in the small versus the Peacekeeper is the one warhead. I can then attack one target.

One of the things we have when you look at nuclear weapons is, if I have a Peacekeeper with 10 warheads on it, they [deleted]. They have to fit into a footprint. What the small ICBM does give me is the flexibility of finding one isolated target, sending one missile against that, [deleted]. That is a strong advantage.

Senator MCCLURE. And I understand that. I am not sure it offsets all of the rest, however.

General CHAIN. I have to let you be the judge of that, sir.

RAIL MOBILE PEACEKEEPER AS SOFT TARGET

Senator MCCLURE. Let me ask this question. Now, you go to a rail mobile Peacekeeper. That is a soft target, is it not?

General CHAIN. Yes, sir.

Senator MCCLURE. What is the area of kill of one of the Soviet weapons against a hard target? They have to have very great accuracy for a hardened target. For a silo-based MX, what is the circle of kill for a Soviet weapon?

General CHAIN. Well, since the MX really is not in a hardened configuration——

Senator MCCLURE. I mean the ones in the ground.

General CHAIN. That is what I mean. [Deleted] and put those at risk today.

Senator McClure. I understand that. But how far away can they hit? Now, we are classified. How far away from that?

General Chain. About [deleted].

Senator McClure. [Deleted.]

General Chain. Yes, sir.

Senator Johnston. Is that the [deleted].

Senator McClure. Yes.

Now, what is that circle of kill on a rail mobile?

General Chain. [Deleted.]

Senator McClure. But I want to go just beyond that as well, because if I understand correctly what you are dealing with on a soft target of the nature of a rail mobile, you have both blast effect and thermal effect, and those reach out quite a little distance when you are talking about above-ground targets.

General Chain. Yes.

Senator McClure. That is what I am really getting at. If you can not provide us with that information now——

General Chain. Oh, I can get that to you. If they know where it is, [deleted].

Senator McClure. I am not talking about if they know where it is. I am talking about how far away would a burst from a Soviet weapon disable a rail mobile missile?

General Chain. We will provide that for the record. If they are shooting at it and they know where it is, [deleted].

[The information follows:]

Disabling a MX Rail-Garrison

It depends on several factors, but primarily where the explosion occurs—to the side of the train or straight down the track. If disable means blowing the missile car off the tracks—rolling it over—the distance is [deleted].

MOBILIZATION WARNINGS

Senator McClure. I am not talking about whether they know where it is. Let us talk for a moment about the warnings that you have when you are going to start moving those things. Just how accurate do they have to be in order to do that? If I understand you correctly, you are going to look at all of the indications of their mobilization. At some scale in their mobilization, you are going to recommend to your commanders and they will recommend to the President, get those things out on the rails and start moving them around.

How much time do you have to do that? Now, you have got two scales to work on there. One is in order to be safe you are going to move them before you think they are going to strike, so that it heightens the improbability. You are depending upon an American public reaction which is favorable. I have got people out there in Idaho, which is not the most radical State in the Nation, who are lying down in front of white trains today.

I do not anticipate that you are going to have overwhelming or unanimous public support for moving those trains out of their bases and putting them out on the rails, even if the railroad tells you they can. Now, I have great respect for what railroads have been able to do, but they still lose cargo. I am not sure they know where all their trains are.

Every once in a while, they cast some doubt on that. But in order to be able to do this, you are going to have to test the system, you are going to have to move either dummy trains or something else out there periodically. You are going to run into public reactions.

If I were the Soviets, what is to keep them from running through your list of indicators so that they get the United States nervous enough to run those trains out every once in a while just to test public reactions, and the public gets increasingly unhappy about the disruptions, so do the railroads? They say: Why the heck did you do that? Nothing happened, and you cost us railroads hundreds of thousands of dollars of lost revenues.

I think certainly the rail mobile may be the best basing mode you have come up with yet, and I am not one who is going to try to shoot it down just for the sake of shooting it down. It may be the most acceptable one, but I do not see it as being a perfect one.

If, as a matter of fact, a bolt out of the blue is impossible, then we do not need a lot of the things we are planning on. I think we plan for the event that, if they did that, we would still have to survive, no matter how foolish they are, do we not?

Are we really setting our Nation's posture on the fact that they are so rational that they will not do anything irrational?

GARRISON LAUNCH

General CHAIN. Not at all, because the weapons system is certainly usable from a standing start in the garrison. But as far as the public perception, we plan to have two training trains, but these are not going to have a big stripe on them saying Strategic Air Command.

Senator McCLURE. Then what you are really saying is, if you say you can fire them from garrison in a soft target, that is what they are.

General CHAIN. Right.

Senator McCLURE. Then you are on [deleted] are you not?

General CHAIN. No; I am not on a [deleted] Senator.

Senator McCLURE. Tell me why not.

General CHAIN. Because I do not believe we are going to have a bolt out of the blue.

Senator McCLURE. But then you are telling me we do not even have to plan for it, that it is so unthinkable we will not even think about it.

General CHAIN. It is usable from a standing start, just like my B–52 and just like the submarine.

Senator McCLURE. But to be usable from a standing start, it has to be [deleted] does it not?

General CHAIN. [Deleted.]

Senator McCLURE. All right. Why?

General CHAIN. Because I do not think it is feasible.

Senator MCCLURE. All right. You think it is not feasible, so we should not plan for it?

General CHAIN. But I have planned for it. I can launch it from that position if the President gives the decision.

Senator MCCLURE. You cannot have it both ways, General.

General CHAIN. I can have it both ways.

Senator MCCLURE. You cannot tell me you are going to launch it, but you do not even have to think about [deleted].

General CHAIN. It is no more vulnerable than the submarines in port, the bombers on the bases, the Minutemen that are in silos, or the train in the garrison. They are all vulnerable to that scenario.

Senator MCCLURE. But then do not tell me that you can launch it. If they are vulnerable, they are vulnerable.

General CHAIN. Everything that I own is vulnerable.

Senator MCCLURE. Well, all I am trying to get at is, what is a reasonable framework of your own mental processes as reflected by the military planning and the options you give us. If you are not going to [deleted] and it is a soft target, you have lost the asset.

General CHAIN. I am not going to launch until the President tells me that he wants those things launched.

Senator MCCLURE. Well, what you are really telling me is you have a political reaction to the [deleted]. It is too politically difficult and sensitive; therefore; you do not want to think about it; therefore, you say it is impossible to do; therefore, you will say we do not plan on it; therefore, you will say the Soviet Union cannot do it.

But the other side of it is you tell me you still have the asset and can use it. That to me is an untenable position.

Thank you, Mr. Chairman.

Chairman STENNIS. Thank you.

Senator Leahy, that brings us to you, sir, and we are glad you are here.

Senator LEAHY. I find this interesting, actually fascinating discussion. There are some deja vu aspects of it. I remember when I first came here 13 years ago I was on the Armed Services Committee. We were being told at that time how absolutely important the B–1 was. As a new Member, with some trepidation I raised some questions at that time about the projected costs and what it could do. The costs were considerably less than what we are being told now.

We were being told that it could fly very, very high and swoop down low at the last moment, that it could carry a great deal of load, and so on. And I was told by a number of other of my colleagues at that time that they did not understand why I should be opposed to it, because this thing was going to be well designed and take us past the B–52, and that it was going to be the be-all and end-all.

At that point they were talking about, I think, around $75 to $80 million a copy. Now we are talking about $270 million. I am told that the terrain-following radar is not working, that it has a problem showing mountains where mountains do not exist. That could create, I should imagine, some apprehension on the part of the crew, especially if they are flying at nighttime.

It has stability problems. It tends to stall in what should be normal flying conditions. The load has to be reduced by about three-quarters of what it was intended to be, to a quarter of a load. We are not going to send it via UPS.

And the B–1B's defensive avionics were designed for less effective Soviet air defense capabilities.

Are these all problems?

General CHAIN. No.

Senator LEAHY. Which ones are?

General CHAIN. I would like to address each one of these if I could, Senator.

Senator LEAHY. Please go ahead.

B–1 TERRAIN FOLLOWING RADAR

General CHAIN. First, on the terrain following radar, the aircraft is designed to be able to fly at 200 feet at night in bad weather automatically, with the pilot without his hands on the stick. We had a software problem in the early design, being removed this month at Dyess AFB and at Ellsworth AFB.

The new software package is being put on the airplane which will permit us to fly training missions at 1,000 feet at night, according to the weather. For wartime missions, you just dial up to 200 feet and you could fly a 200-foot mission at night, according to the weather.

Our Chief of Staff, General Welch, went out 2 weeks ago, flew the aircraft out at Edwards on the range, off the range, through mountainous territory. I have talked with the crews. I have only flown the airplane once. But we feel that the Terrain Following Radar [TFR] problem is behind us and that is no longer a problem. It was a problem when the airplane first came to us.

B–1 STALLS

As far as the stalls are concerned, the airplane does not stall. Any airplane can be stalled if you fly it beyond the angle of attack that it is designed for. We do have some flight control problems, because we increased the weight of the basic airplane by 8,000 pounds so that we could put on the cruise missiles, which would get us a 50,000-pound combat capability as far as offensive weapons. But they will not even be put on the B–1 until the 1990's, so I do not need a beef-up of the flight controls until then. And by then, that part will be taken care of.

But the basic airplane today flies very well. The crews do not have any problem with stalls. We are putting a stall-inhibiting system on it to reduce the pilot workload so that a pilot would not, even by jerking the stick, throw himself into a stalled condition.

Right now, somebody like me could actually get the thing to stall and would then have to recover from it. We do not want the crews to be put into that position.

B-1 PAYLOAD

That it can only carry a fourth of the payload is not true.

Senator LEAHY. No; three-quarters of the payload, one-quarter less.

General CHAIN. [Deleted.]

B-1 ECM

The ECM is a major problem. We have talked about it a little bit earlier, and as the operator I am very concerned about the ECM. I can do the wartime mission today with the capability I have today, but we have contracted for a better capability than we have and I want that capability. I met with the people at Systems Command yesterday and they are convinced that they are going to be able to work their way through that problem.

If I had to identify a problem with the B–1, it is the ECM capability, and as the operator I am anxious to get better ECM capability. Today, because of the low radar cross-section, flying fast and low I can go in and do the mission I need to do. I can see what threats are out there, what is looking at me and what might be attacking me.

[Deleted.]

Senator LEAHY. [Deleted.]

General CHAIN. Yes, sir. [Deleted.]

Senator LEAHY. That is a major problem.

General CHAIN. The Electronic Counter Measures is a major problem. It is the one that we have to fix.

B-1 $3 BILLION COST REPORT

Senator LEAHY. There was a report over the weekend from Congressman Aspin saying it is going to cost $3 billion more to prepare the B–1B fleet. Is that correct? Is he wrong or is that correct?

General CHAIN. I believe it is incorrect, sir. I do not know who wrote that for him, and it is too bad, because I think when the facts come out he is going to find that that is a miscalculation.

Senator LEAHY. What do you think it will cost?

General CHAIN. Well, talking with the people from Systems Command yesterday, they said $600 million, which is what they have asked for in the budget to be able to fix it. And I am the operator. You are going to have another guy in here, General Randolph, who follows me, who will be able to go into more detail.

But that is what they tell me. I asked about that $3 billion because I said, you know, that really hurts me if that is what it is going to take. And they said no. There are things that were put into that figure, things that I as the operator would like to have in the out-years, like a forward-looking infrared radar. But that was not part of the initial contract, and when we come back here and ask you for something like that we will have to justify it, just like we are putting ECM equipment on the old B–52 today and we will be doing that up through the 1990's, so the airplane—we modify warplanes. They are not airplanes, they are warplanes.

So we continue to modify warplanes as capabilities are presented to us. But we have to come back and ask you for that. That was not in the original design, and I think they have put some things into that $3 billion that were unfair.

B-1 BRIEFING

Senator LEAHY. Some time before this year is out, I will probably come out to visit you out there at SAC headquarters.

General CHAIN. Great.

Senator LEAHY. But before that, I will ask for a far more extensive and intensive briefing on the B-1 and its capabilities and projections and so on.

SALT II TREATY LIMITS BREAKOUT

Let me ask you a question on an entirely different subject. You were quoted in the New York Times back in January speaking about—well, you said that—the Times quoted you, General Chain argued that the Soviet Union might be in a better position to move ahead in the strategic arms race if the treaty limits, referring then to SALT II, were dropped.

Now, I know the CIA made estimates—I am speaking of public estimates now—that in the absence of the SALT II ceilings, the Soviets could increase the number of warheads and their missiles by several thousand within a few years. If that is so, and I have read both the open and closed testimony of the CIA in that regard, does that create—if they could do that, if they had a breakout of several thousand more, what does that do to your abilities as Commander in Chief of SAC?

General CHAIN. It would complicate them significantly. I might add on the New York Times article that I was less than a hero with some of the people at the Pentagon for saying what I said. I had spent a tour in the State Department as the Director of the Politico-Military Affairs several years ago, and when I was there I was deeply involved in arms control.

At that time, knowing what I knew then, I strongly supported staying inside the SALT limits. I have been away from the State Department and away from Washington for the last 20 months. I am not current in the arguments and discussions on why the country decided to go beyond the SALT limits. So, in fact, I am not capable of discussing that.

Senator LEAHY. Well, I do not want to ask that or set it up in a way that you are in a position to have to debate policy with the White House. I would just ask you this. If indeed the CIA is correct, if indeed they can break out, is it almost just sheer logic that thousands of more warheads would greatly complicate your job?

General CHAIN. Absolutely, sir.

Senator LEAHY. Also, there are public reports that the Soviets might begin deploying their new SS-24's, which have 10 warheads as I understand it. If they did, my last question will be, and I will have other questions for the record, if they started doing that are you better off as a quid pro quo they are required to reduce some of their other multiple independent-targeted reentry vehicle [MIRV'ed] ICBM's, such as the SS- 17's and 19's, or does that make any difference?

General CHAIN. Yes; it does make a difference. I happen to believe in arms control, and I believe that arms control is not an end in itself, but a means to an end. And the end is having balance on both sides, and we can either do balance by having huge forces on both sides or smaller forces on both sides. Then I believe in the balance.

So if the Soviets do field SS–24's at a huge rate, I would hope they would bring others down so that we would remain in relative balance. That is why I happen to believe that arms control serves our countries very well.

Senator LEAHY. If the numbers stay the same.

General CHAIN. [Deleted.]

I can do my job if both sides would come down equally.

Senator LEAHY. Thank you.

Thank you, Mr. Chairman.

SPECIAL CLASSIFIED MATTER

Chairman STENNIS. Thank you.

Gentlemen, we have a specially classified matter that we can take up now. It is tentatively set for this afternoon, but I believe we can get into it now. This has been, I think, a good beginning here and a good hearing. And if anyone wants to ask further questions now in this present examination, they can now.

Senator JOHNSTON. I have just one question.

Chairman STENNIS. If we can finish that and take the other one up, too, then we will be through for the day.

Bennett, did you have a question? You are next anyway. All right, I call on Senator Johnston.

Senator JOHNSTON. Thank you, Mr. Chairman.

General Chain, [deleted].

General CHAIN. [Deleted.]

Senator JOHNSTON. [Deleted.]

General CHAIN. [Deleted.]

Senator JOHNSTON. That is all I have.

Chairman STENNIS. Thank you.

MIDGETMAN GUIDANCE SYSTEM

Senator McClure, did you have a question?

Senator McCLURE. Yes; thank you.

The Midgetman, to perform the mission which you have outlined for it, has to develop a very, very sophisticated new guidance system, is that not it? That is the heart of the system, is it not?

General CHAIN. Of any of those types of systems; yes.

[Supplemental information:]

To perform the mission outlined for the small intercontinental ballistic missile, a very sophisticated new guidance system is not required. The small intercontinental ballistic missile will use the same guidance set (with minor modifications to the cooling system) now used by operational Peacekeeper missiles at F.E. Warren Air Force Base. Current response implies that new guidance system is required.

Senator McClure. With the throw weight, total weight, and single warhead configuration, accuracy is essential if it is to have hard target kill capability.

General Chain. Absolutely.

Senator McClure. As a matter of fact, that same thing could be said about any other missile?

General Chain. Absolutely.

RAIL MOBILE DEPLOYMENT ACCESS

Senator McClure. I do not mean to belabor the subject, but I do want to look at the rail mobile deployment question with respect to the means by which it would be employed. Now, my understanding—and you have offered several times to give us the indicators that you use of warning and at some point I want to get that briefing, so I will not ask for it at this time.

But at some point in that warning scenario, a decision is made that it is sufficiently threatening that we need to deploy it. And it is your position if I understand it correctly, that having watched these indicators, we will have the time to deploy and disperse on the rail system; is that not correct?

General Chain. Yes, sir.

Senator McClure. So we are not really looking at the other end of that, what if we do not have the warning or cannot use that. You start with the assumption that we will have the warning, that we will make a timely decision, and that we will deploy it so that they are dispersed?

General Chain. That is the heart of the system. But it does have a fallback capability, just like the Minuteman that exists today, to be fired from their standing positions.

Senator McClure. I understand your statement on that. Now, most of these sites where they will be deployed at military installations are served by a single rail. They can move either east or west or north or south, but for the next several miles you do not have options of going in any other direction.

General Chain. We have 11 bases we are looking at, sir. I cannot be definitive. I would be happy to provide a picture of rails at each of the bases, because we do have them all. And I am personally surprised at the multiple options to get out on the rails quickly.

Senator McClure. Would you do that.

General Chain. I would be glad to do it.

[The information follows:]

MX RAIL-GARRISON DEPLOYMENT OPTIONS

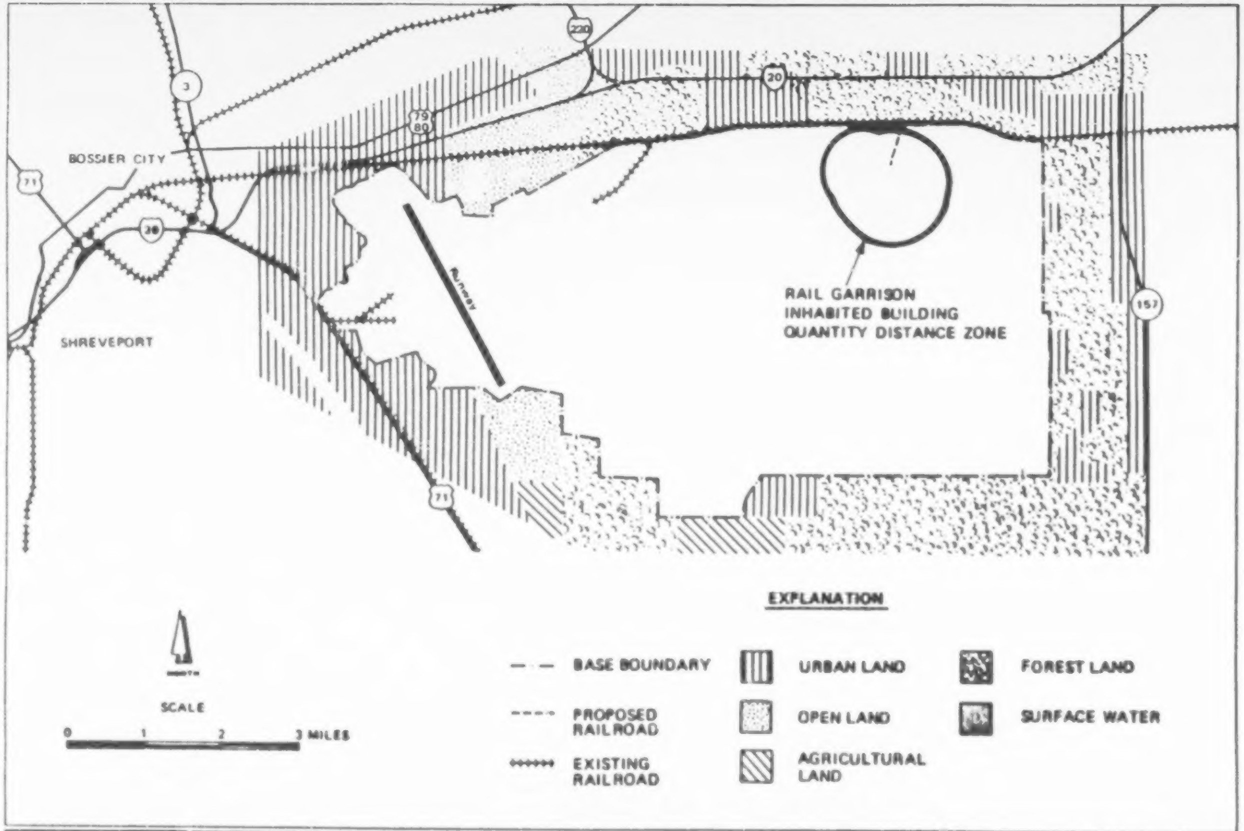
The 11 Air Force installations identified as candidate deployment locations for PEACEKEEPER Rail Garrison were selected as part of a comprehensive siting analysis process. This process eliminated those DoD installations considered unsuitable. Remaining candidate installations were then evaluated for the greatest potential to support the Rail Garrison mission.

One criterion, maximize access to interconnected track, was developed to achieve system effectiveness and system survivability. Access to denser railroad networks provides more options for routing trains during dispersal and increases system survivability. The rail dispersal criterion was measured in number of track miles generated in a specified travel time using a computer model and assuming an average train speed of 30 mph.

All of the installations (except Blytheville AFB) are served by either 1 or 2 rail lines and have numerous options within close proximity of the base. The attached maps and chart depict the numerous options available for dispersal. The accessible railroad network represents the area that must be considered for system survivability. Installations that have many access options near the base will provide increased survivability of the weapon system, thereby enhancing deterrence.

CANDIDATE RAIL GARRISON DEPLOYMENT LOCATIONS

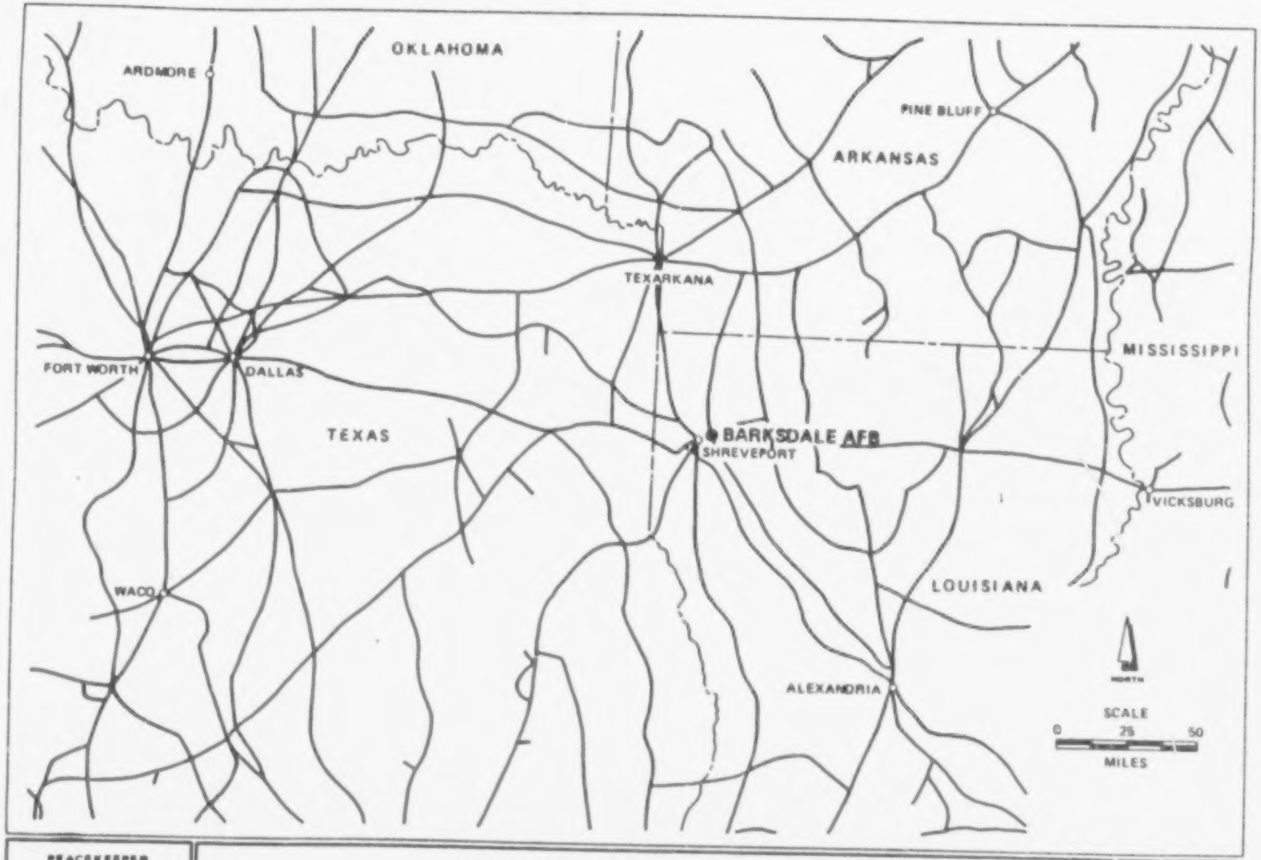
BASE	CURRENT EXITS (DIRECTION)	OPTIONS	TRACK MILEAGE IN 24 HOURS (FROM 7 BASES)
BARKSDALE	2 (E, W)	5 within 8 mi	126,000
BLYTHEVILLE	0 (2 planned)	2 within 2 mi	
DYESS	1 (N)	4 within 10 mi	
FAIRCHILD	2 (NE, SW)	7 within 10 mi	
F.E. WARREN	2 (W, S)	4 within 3 mi	
GRAND FORKS	1 (S)	4 within 12 mi	
LITTLE ROCK	1 (S)	7 within 20 mi	
MALMSTROM	1 (W)	4 within 10 mi	
MINOT	1 (E)	3 within 20 mi	
WHITEMAN	1 (N)	2 within 3 mi	
WURTSMITH	1 (E)	2 within 1 mi	


BOSSIER CITY
SHREVEPORT
3
71
28
79
80
220
20
157
Runway
RAIL GARRISON
INHABITED BUILDING
QUANTITY DISTANCE ZONE
NORTH
SCALE
0
1
2
3 MILES
EXPLANATION
BASE BOUNDARY
PROPOSED RAILROAD
EXISTING RAILROAD
URBAN LAND
OPEN LAND
AGRICULTURAL LAND
FOREST LAND
SURFACE WATER

PEACEKEEPER
RAIL GARRISON
AREA NARROWING
REPORT

BARKSDALE AIR FORCE BASE, LOUISIANA

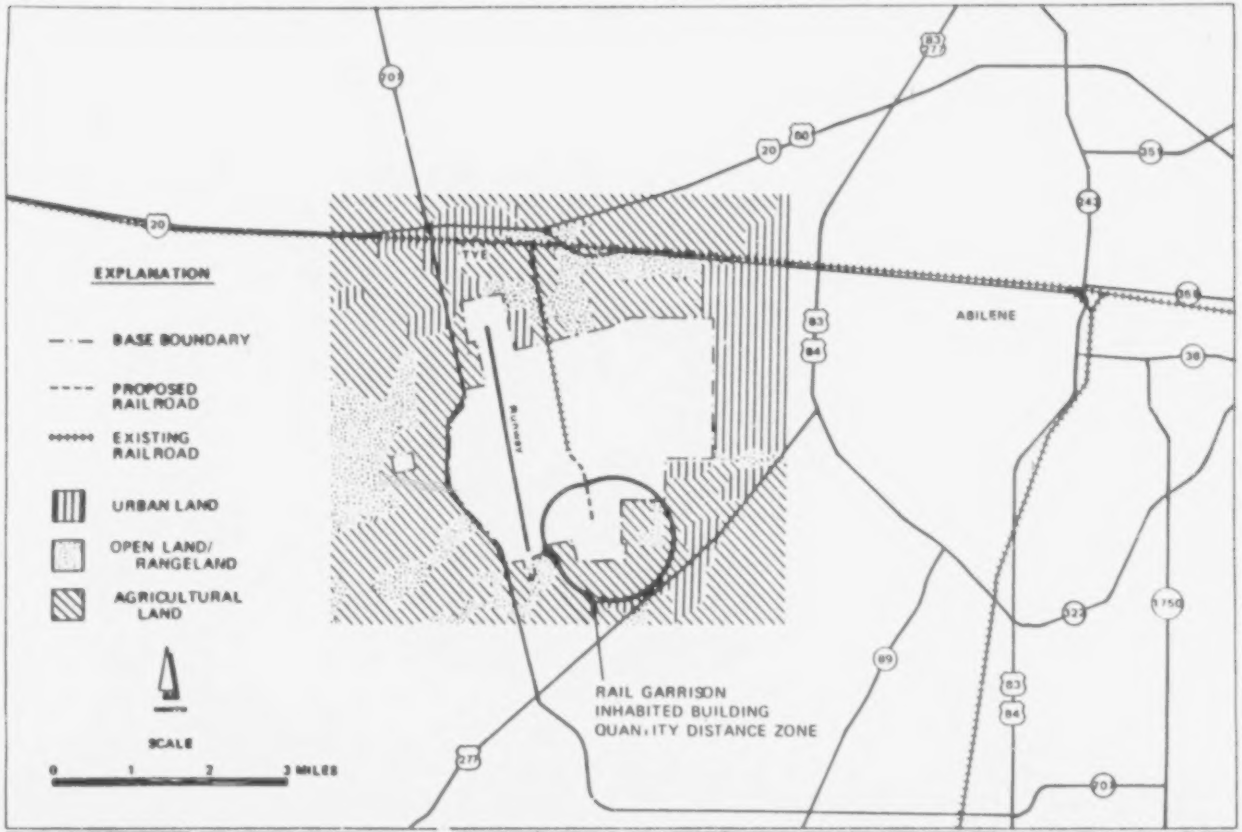
FIGURE
D-1


OKLAHOMA
ARDMORE
PINE BLUFF
ARKANSAS
TEXARKANA
MISSISSIPPI
FORT WORTH
DALLAS
TEXAS
BARKSDALE AFB
SHREVEPORT
VICKSBURG
WACO
LOUISIANA
ALEXANDRIA
NORTH
SCALE
0
25
50
MILES

PEACEKEEPER
RAIL GARRISON
AREA NARROWING
REPORT

BARKSDALE AIR FORCE BASE, LOUISIANA
REGIONAL RAILROAD NETWORK

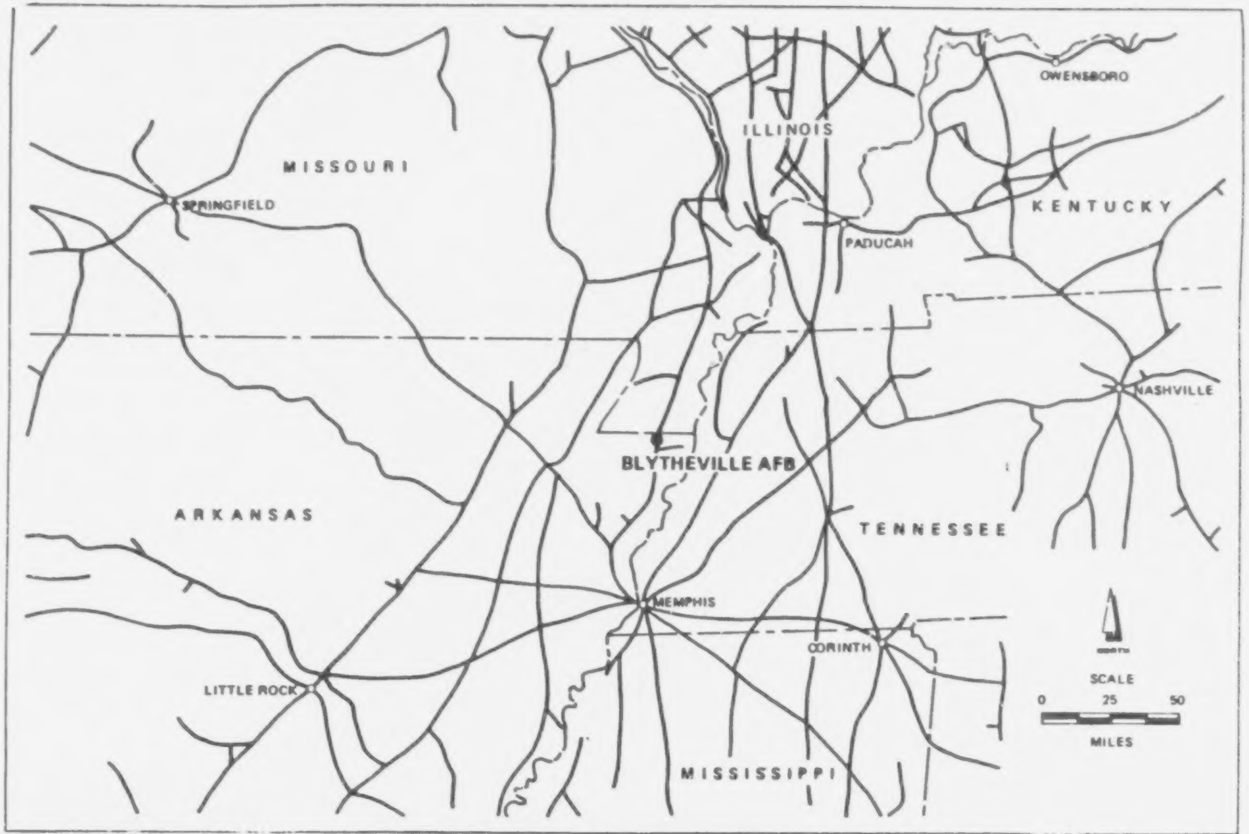
FIGURE
D-2


EXPLANATION
BASE BOUNDARY
PROPOSED RAILROAD
EXISTING RAILROAD
URBAN LAND
OPEN LAND/ RANGELAND
AGRICULTURAL LAND
SCALE
0
1
2
3 MILES
TYE
RUNWAY
ABILENE
RAIL GARRISON INHABITED BUILDING QUANTITY DISTANCE ZONE
20
80
83
277
84
84
89
36
351
242
38
322
1750
707
277
707

PEACEKEEPER RAIL GARRISON AREA NARROWING REPORT

DYESS AIR FORCE BASE, TEXAS

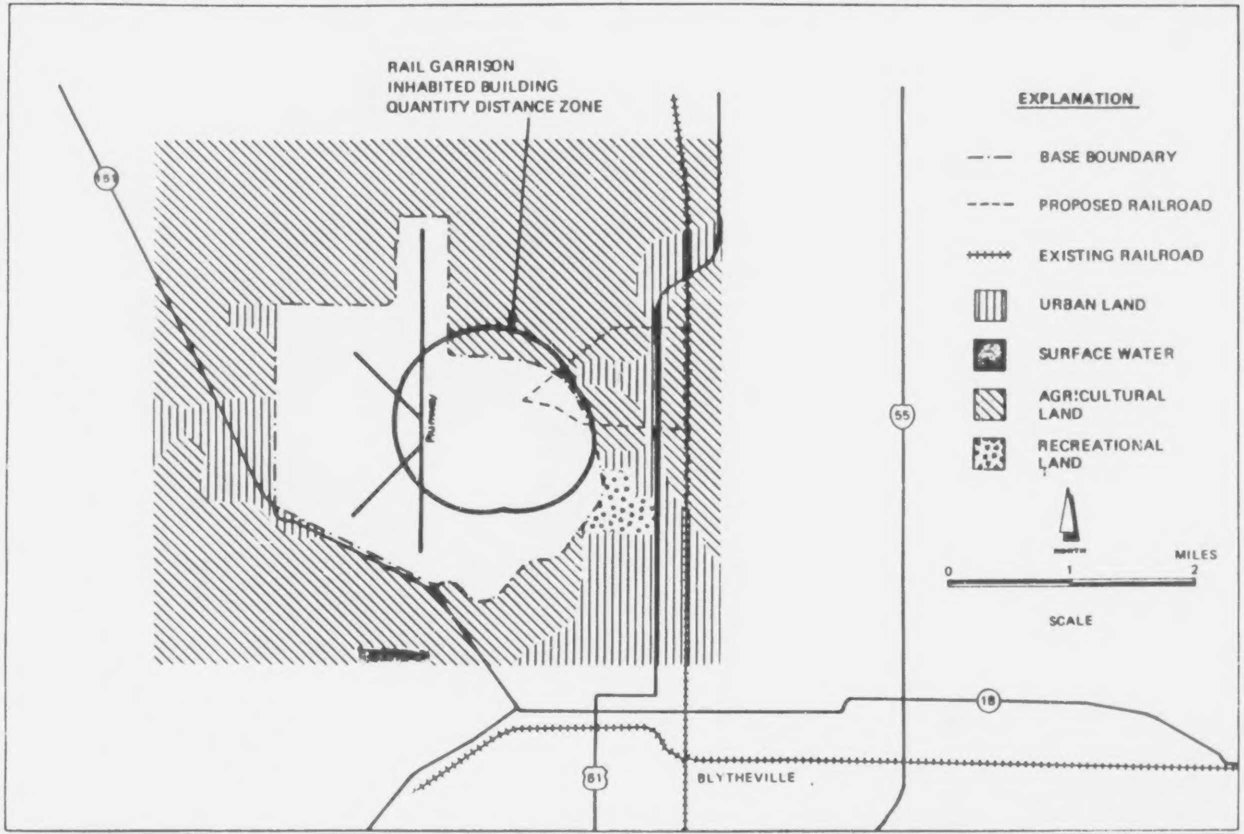
FIGURE D-9


MISSOURI
SPRINGFIELD
ILLINOIS
OWENSBORO
KENTUCKY
PADUCAH
NASHVILLE
BLYTHEVILLE AFB
ARKANSAS
TENNESSEE
MEMPHIS
CORINTH
LITTLE ROCK
MISSISSIPPI
NORTH
SCALE
0
25
50
MILES

PEACEKEEPER
RAIL GARRISON
AREA NARROWING
REPORT

BLYTHEVILLE AIR FORCE BASE, ARKANSAS
REGIONAL RAILROAD NETWORK

FIGURE
D-4


RAIL GARRISON
INHABITED BUILDING
QUANTITY DISTANCE ZONE
EXPLANATION
BASE BOUNDARY
PROPOSED RAILROAD
EXISTING RAILROAD
URBAN LAND
SURFACE WATER
AGRICULTURAL LAND
RECREATIONAL LAND
0
1
2
MILES
SCALE
151
55
18
61
BLYTHEVILLE
Runway

PEACEKEEPER
RAIL GARRISON
AREA NARROWING
REPORT

BLYTHEVILLE AIR FORCE BASE, ARKANSAS

FIGURE
D-3

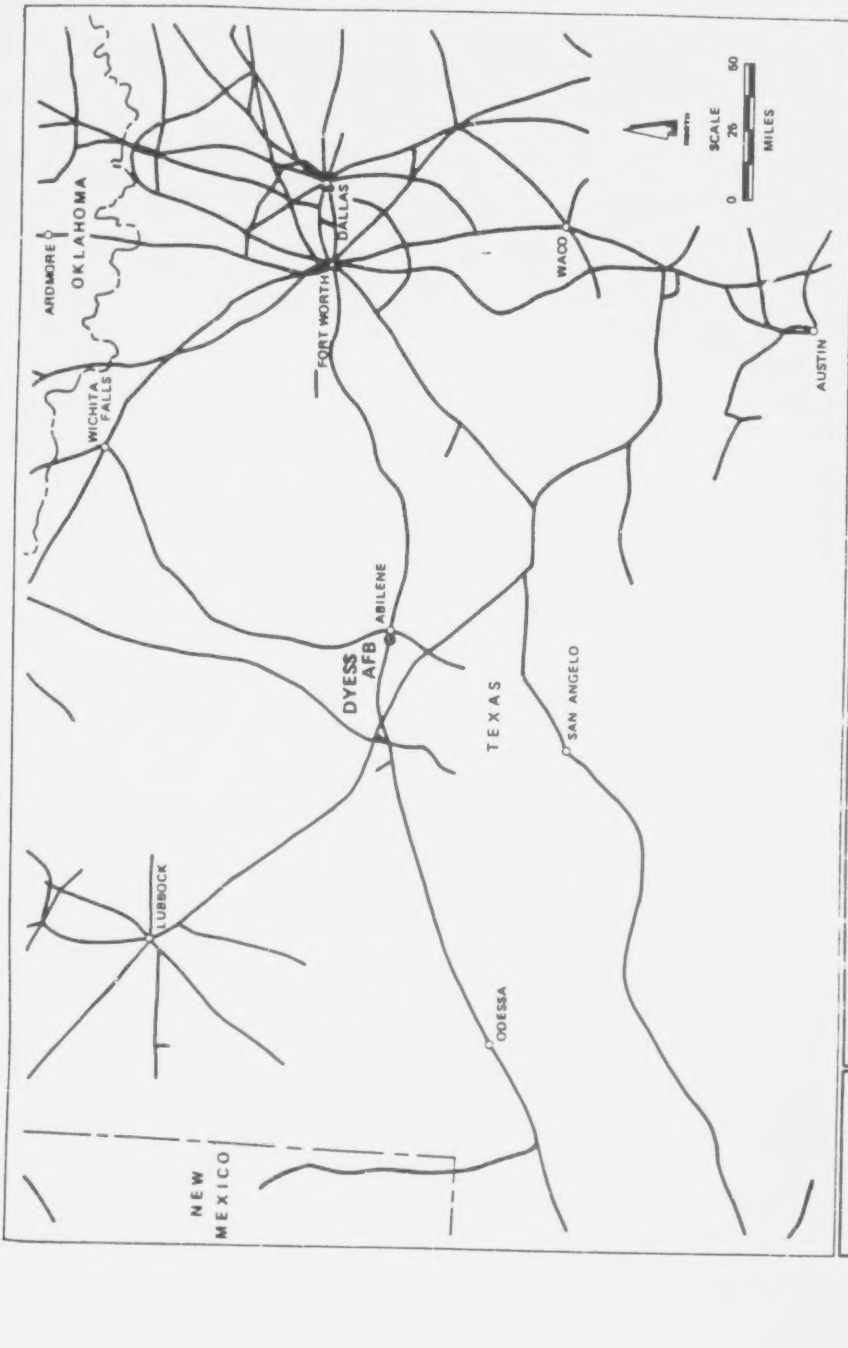
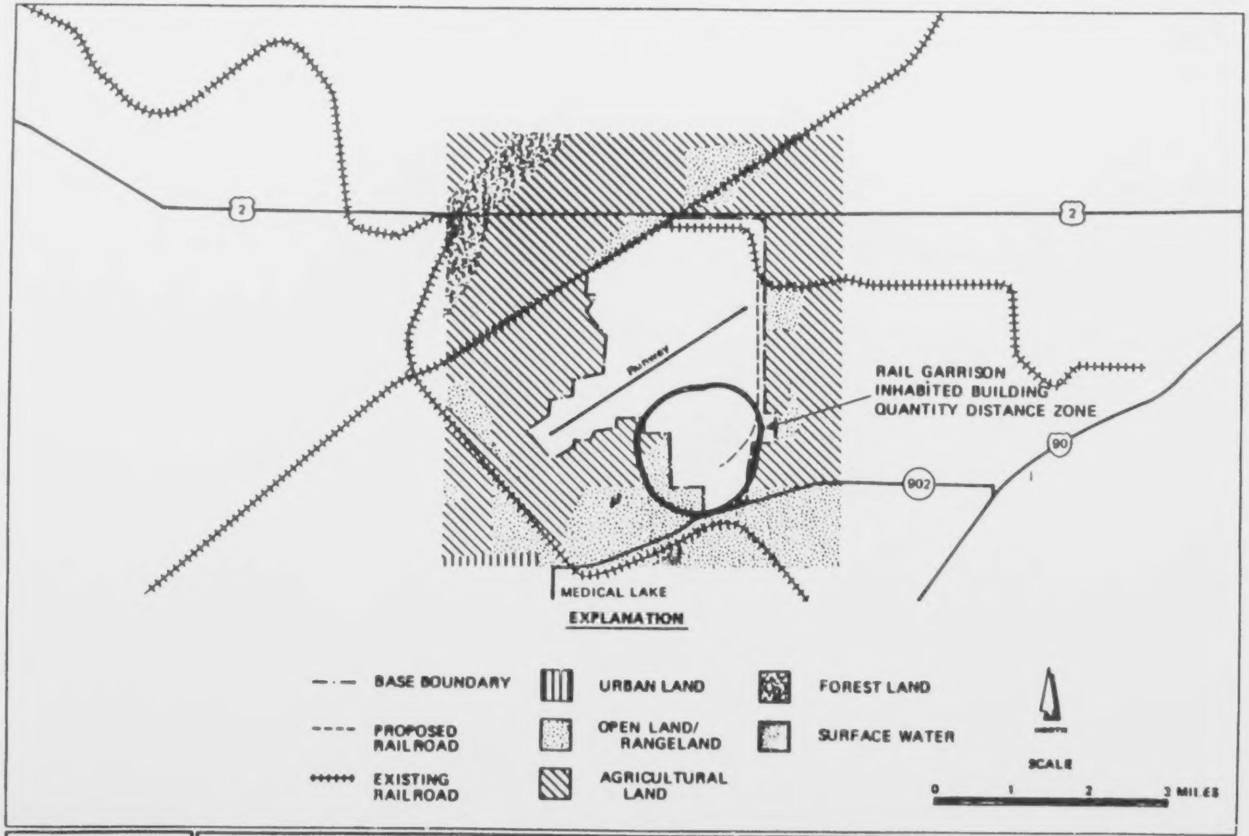

OKLAHOMA
ARDMORE
WICHITA FALLS
FORT WORTH
DALLAS
WACO
AUSTIN
ABILENE
DYESS AFB
TEXAS
SAN ANGELO
LUBBOCK
ODESSA
NEW MEXICO
SCALE
0
25
50
MILES

FIGURE D-10

DYESS AIR FORCE BASE, TEXAS
REGIONAL RAILROAD NETWORK

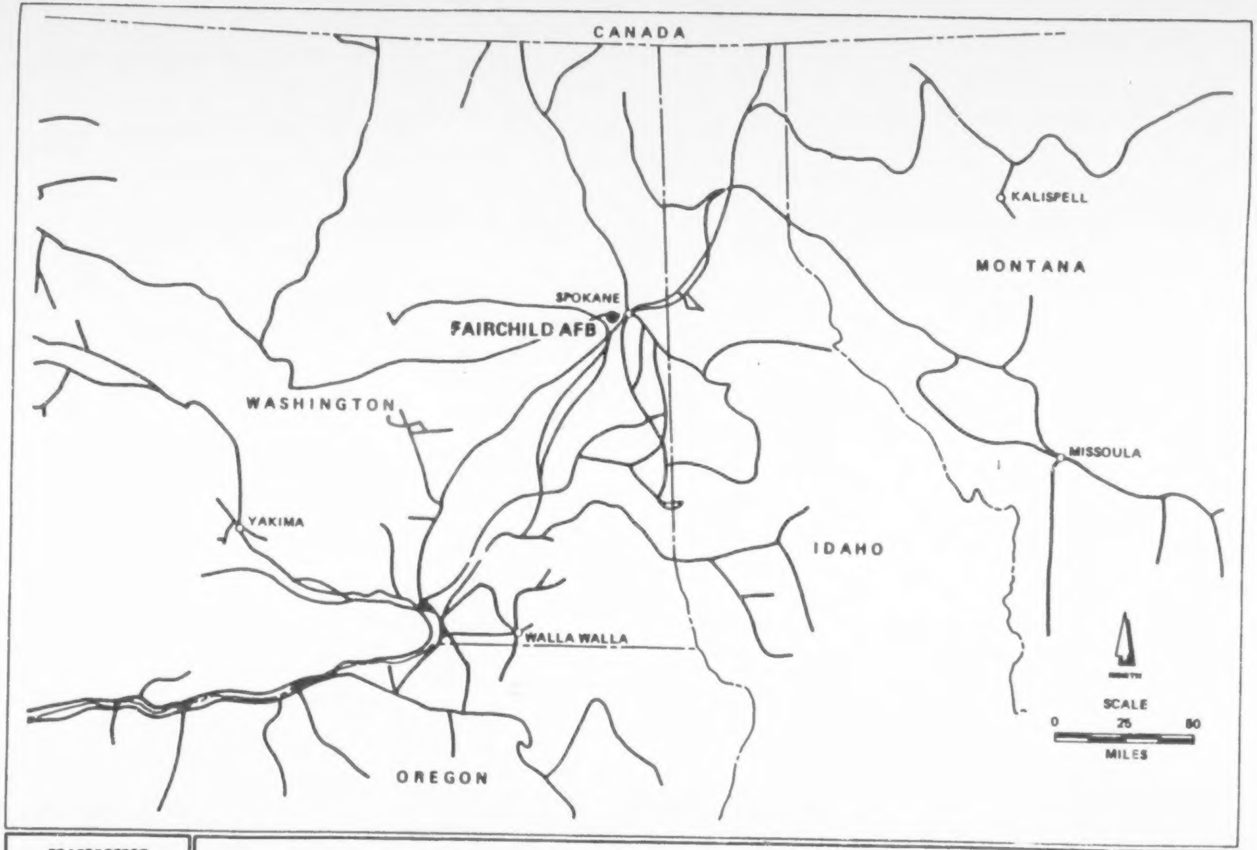
PEACEKEEPER
RAIL GARRISON
AREA NARROWING
REPORT


2
2
Runway
RAIL GARRISON
INHABITED BUILDING
QUANTITY DISTANCE ZONE
90
902
MEDICAL LAKE
EXPLANATION
BASE BOUNDARY
PROPOSED RAILROAD
EXISTING RAILROAD
URBAN LAND
OPEN LAND/ RANGELAND
AGRICULTURAL LAND
FOREST LAND
SURFACE WATER
SCALE
0
1
2
3 MILES

PEACEKEEPER RAIL GARRISON AREA NARROWING REPORT

FAIRCHILD AIR FORCE BASE, WASHINGTON

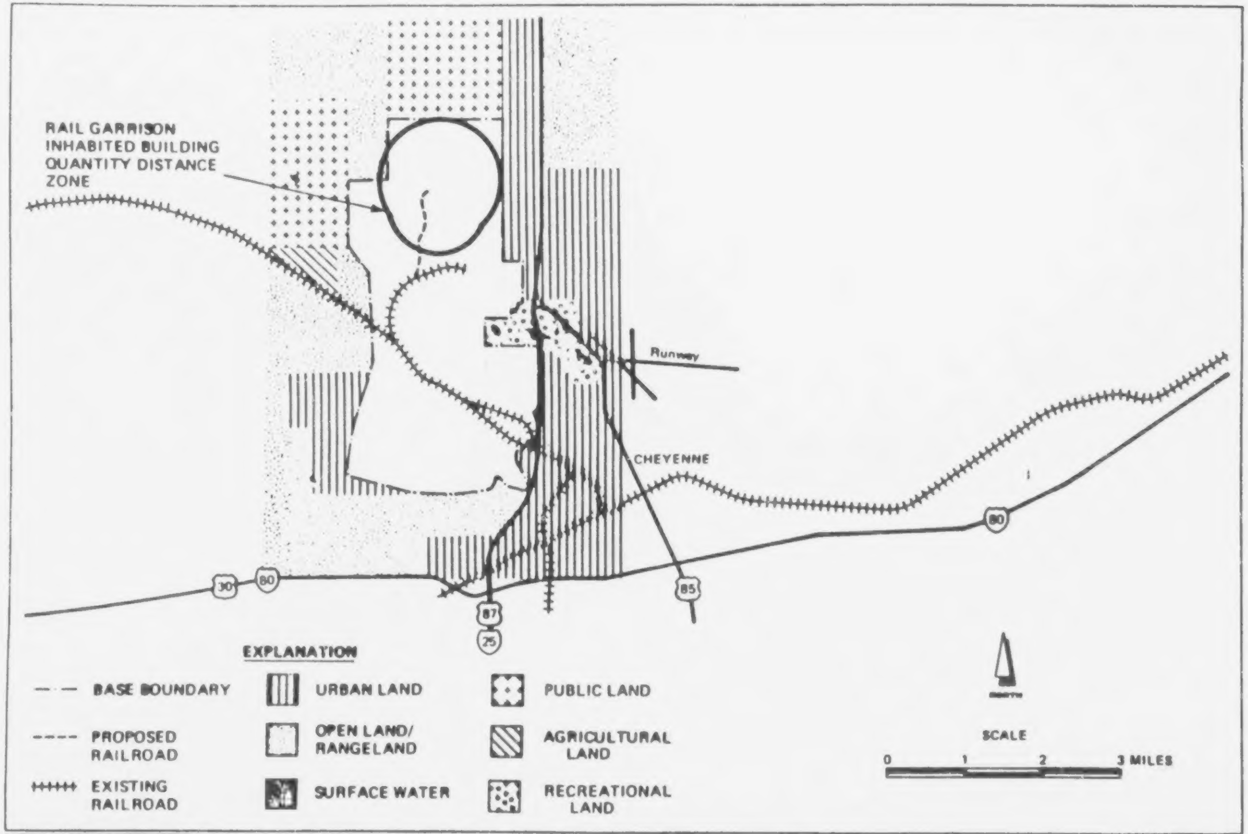
FIGURE D-13


CANADA
KALISPELL
MONTANA
SPOKANE
FAIRCHILD AFB
WASHINGTON
MISSOULA
YAKIMA
IDAHO
WALLA WALLA
NORTH
SCALE
0
25
50
MILES
OREGON

PEACEKEEPER
RAIL GARRISON
AREA NARROWING
REPORT

FAIRCHILD AIR FORCE BASE, WASHINGTON
REGIONAL RAILROAD NETWORK

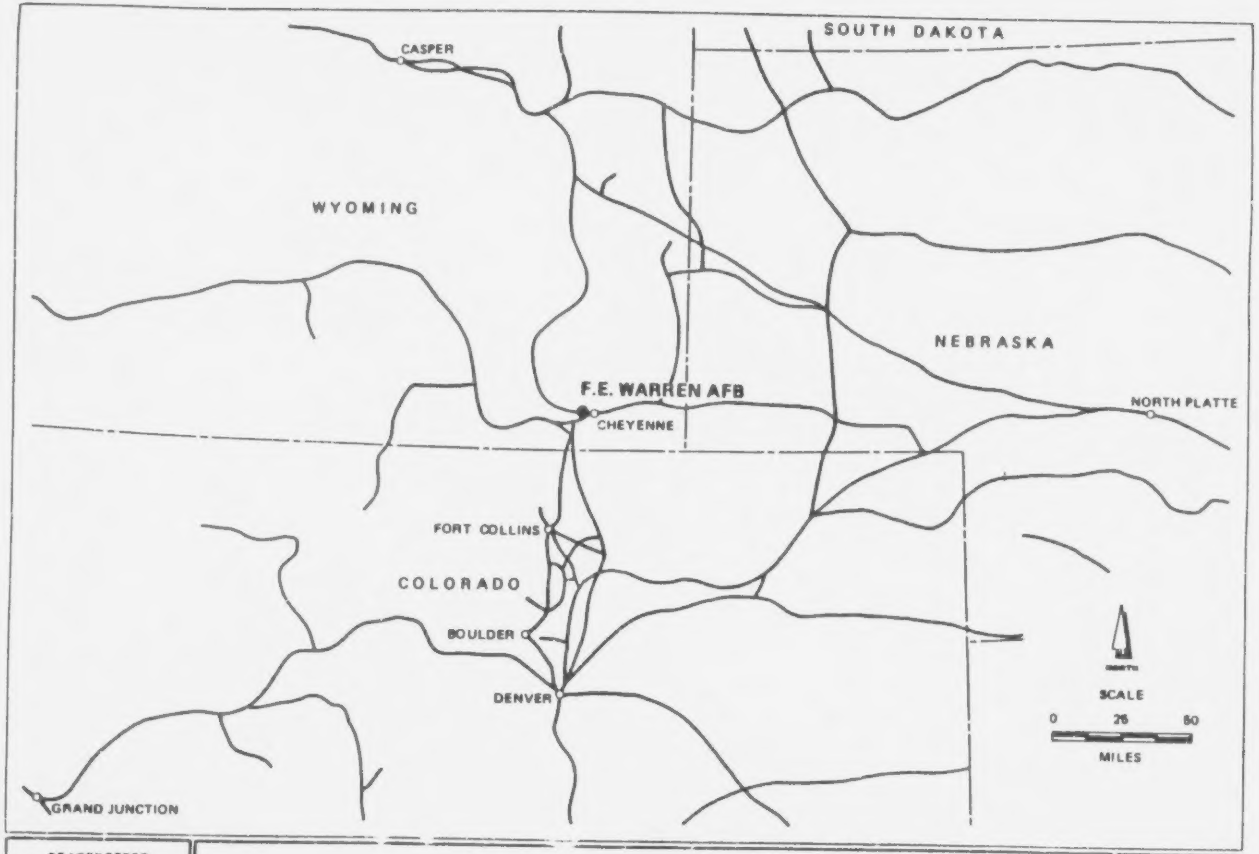
FIGURE
D-14


RAIL GARRISON INHABITED BUILDING QUANTITY DISTANCE ZONE
Runway
CHEYENNE
30
80
87
25
85
80
EXPLANATION
BASE BOUNDARY
PROPOSED RAILROAD
EXISTING RAILROAD
URBAN LAND
OPEN LAND/ RANGELAND
SURFACE WATER
PUBLIC LAND
AGRICULTURAL LAND
RECREATIONAL LAND
SCALE
0
1
2
3 MILES

PEACEKEEPER RAIL GARRISON AREA NARROWING REPORT

F.E. WARREN AIR FORCE BASE, WYOMING

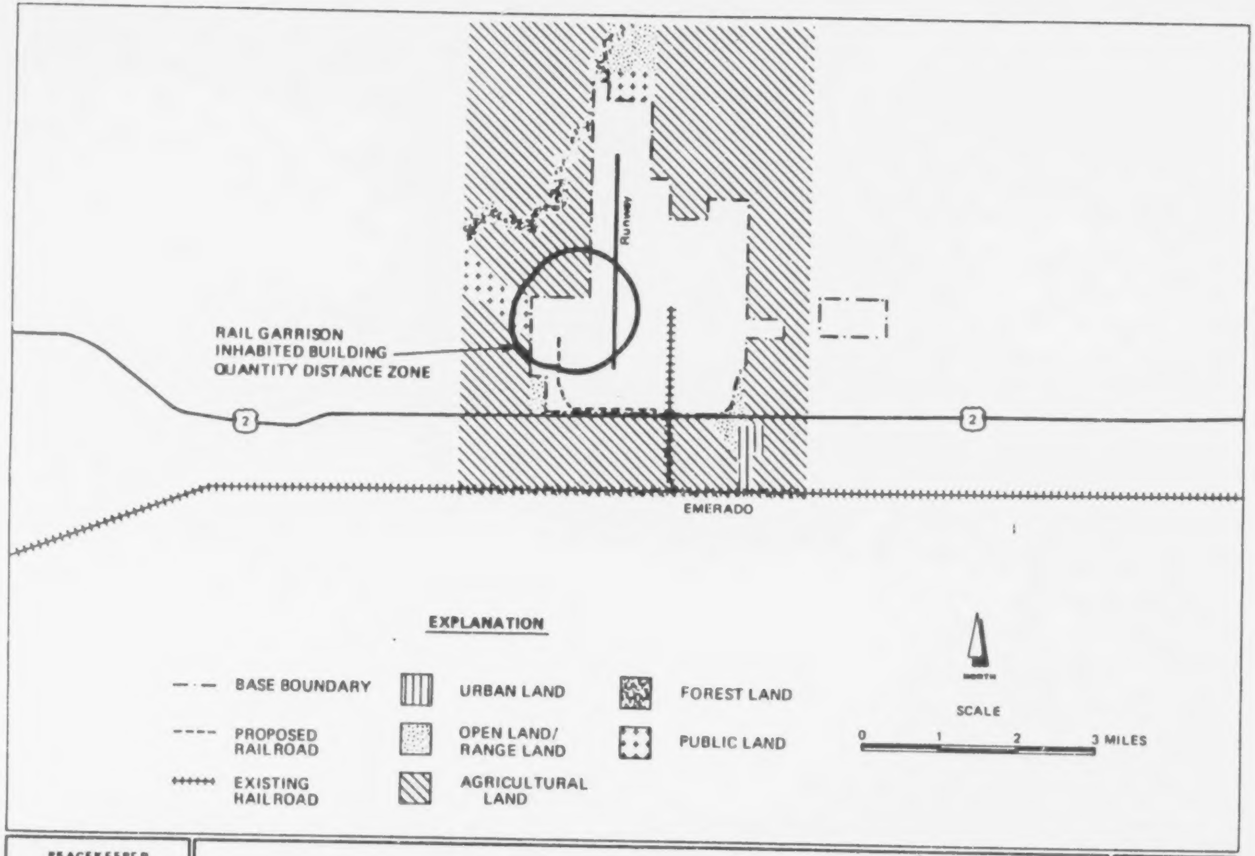
FIGURE D-15


SOUTH DAKOTA
CASPER
WYOMING
NEBRASKA
F.E. WARREN AFB
CHEYENNE
NORTH PLATTE
FORT COLLINS
COLORADO
BOULDER
DENVER
GRAND JUNCTION
SCALE
0
25
50
MILES

PEACEKEEPER
RAIL GARRISON
AREA NARROWING
REPORT

F.E. WARREN AIR FORCE BASE, WYOMING
REGIONAL RAILROAD NETWORK

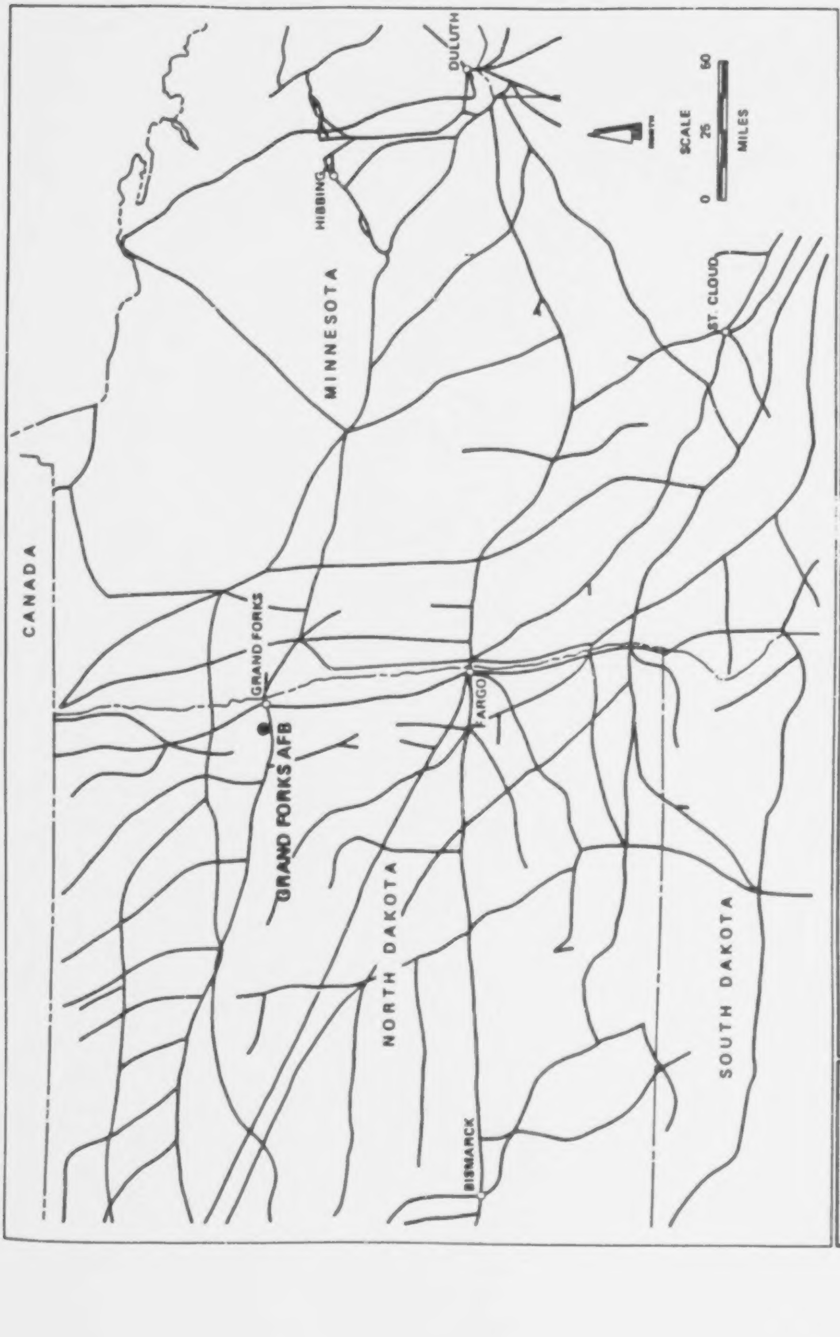
FIGURE
D-16


RAIL GARRISON
INHABITED BUILDING
QUANTITY DISTANCE ZONE
Runway
2
2
EMERADO
EXPLANATION
BASE BOUNDARY
PROPOSED RAILROAD
EXISTING HAILROAD
URBAN LAND
OPEN LAND/ RANGE LAND
AGRICULTURAL LAND
FOREST LAND
PUBLIC LAND
NORTH
SCALE
0
1
2
3 MILES

PEACEKEEPER RAIL GARRISON AREA NARROWING REPORT

GRAND FORKS AIR FORCE BASE, NORTH DAKOTA

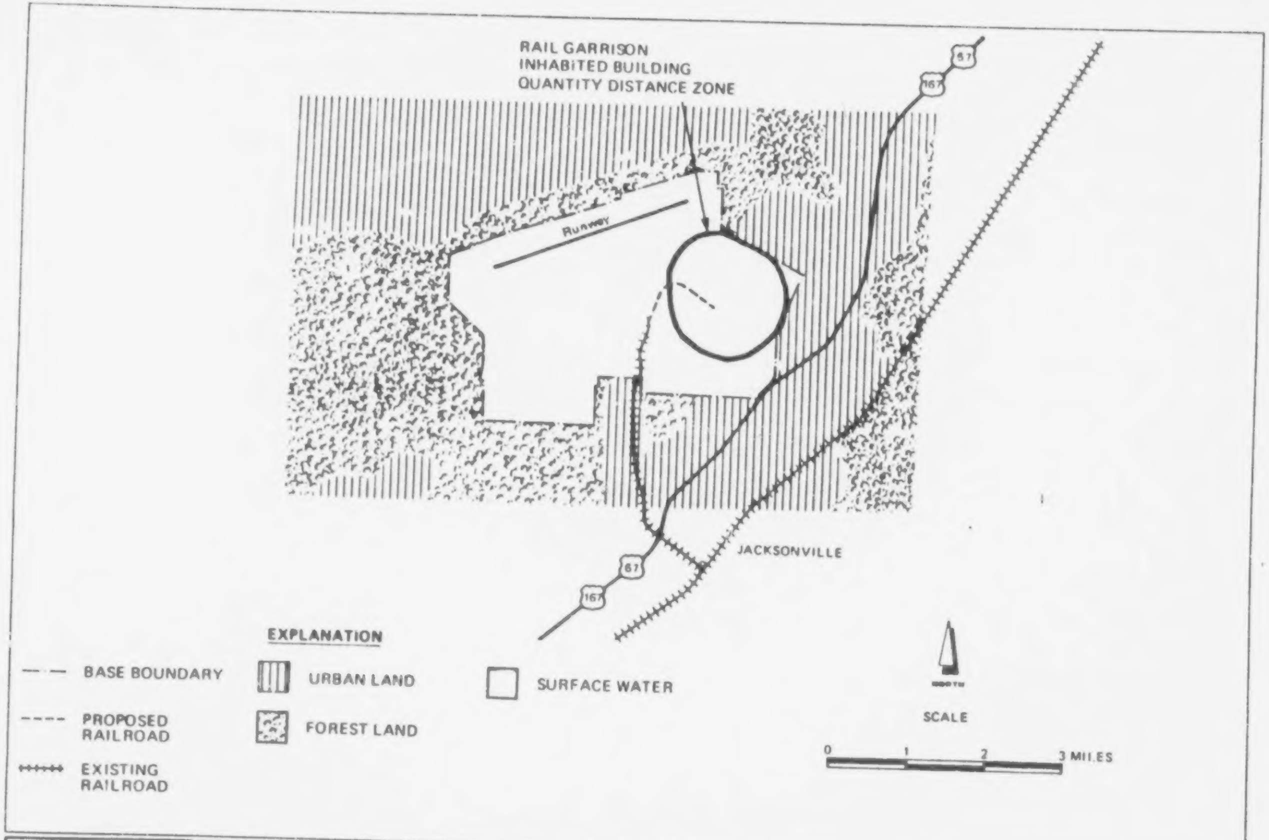
FIGURE D-17


CANADA
MINNESOTA
NORTH DAKOTA
SOUTH DAKOTA
GRAND FORKS
GRAND FORKS AFB
FARGO
BISMARCK
HIBBING
DULUTH
ST. CLOUD
NORTH
SCALE
0
25
50
MILES

GRAND FORKS AIR FORCE BASE, NORTH DAKOTA
REGIONAL RAILROAD NETWORK

FIGURE D-18

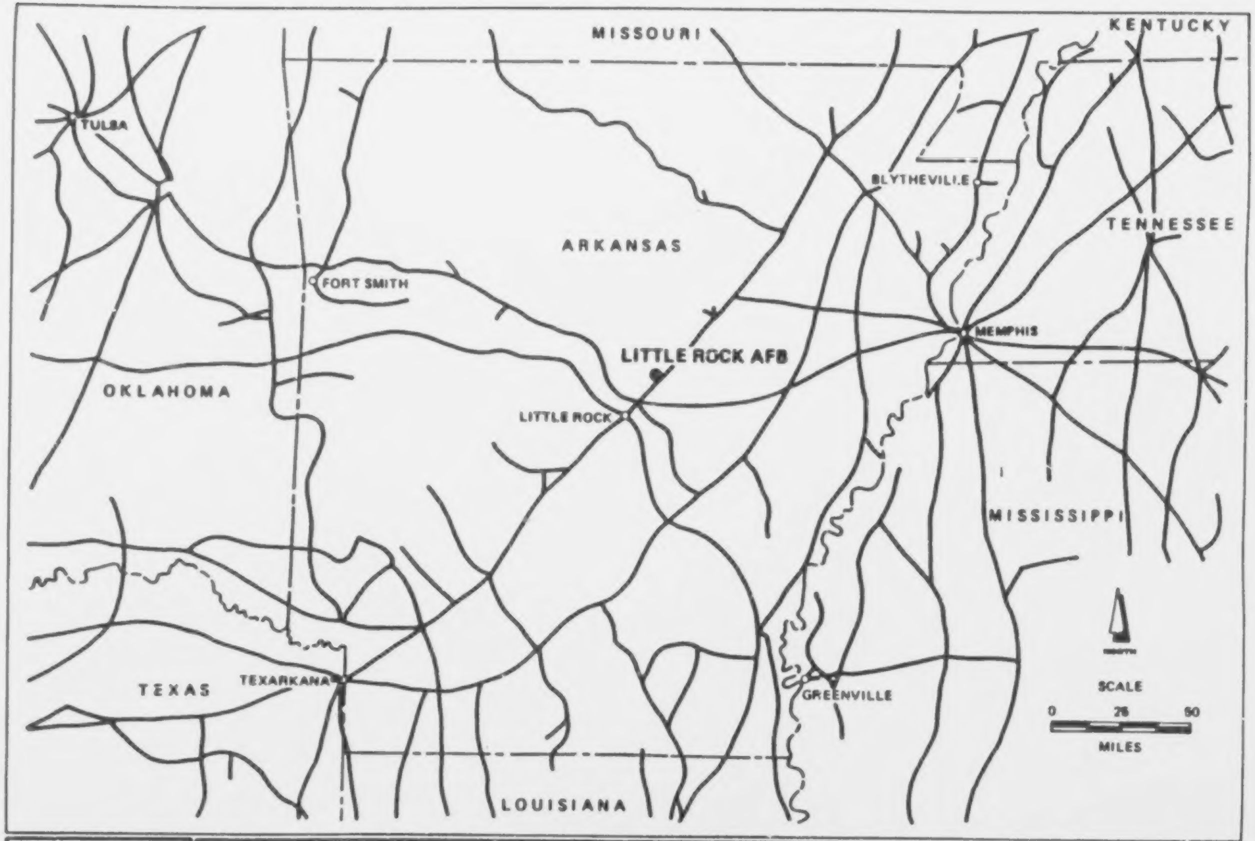
PEACEKEEPER RAIL GARRISON AREA NARROWING REPORT


RAIL GARRISON
INHABITED BUILDING
QUANTITY DISTANCE ZONE
Runway
67
167
67
167
JACKSONVILLE
EXPLANATION
BASE BOUNDARY
PROPOSED RAILROAD
EXISTING RAILROAD
URBAN LAND
FOREST LAND
SURFACE WATER
NORTH
SCALE
0
1
2
3 MILES

PEACEKEEPER
RAIL GARRISON
AREA NARROWING
REPORT

LITTLE ROCK AIR FORCE BASE, ARKANSAS

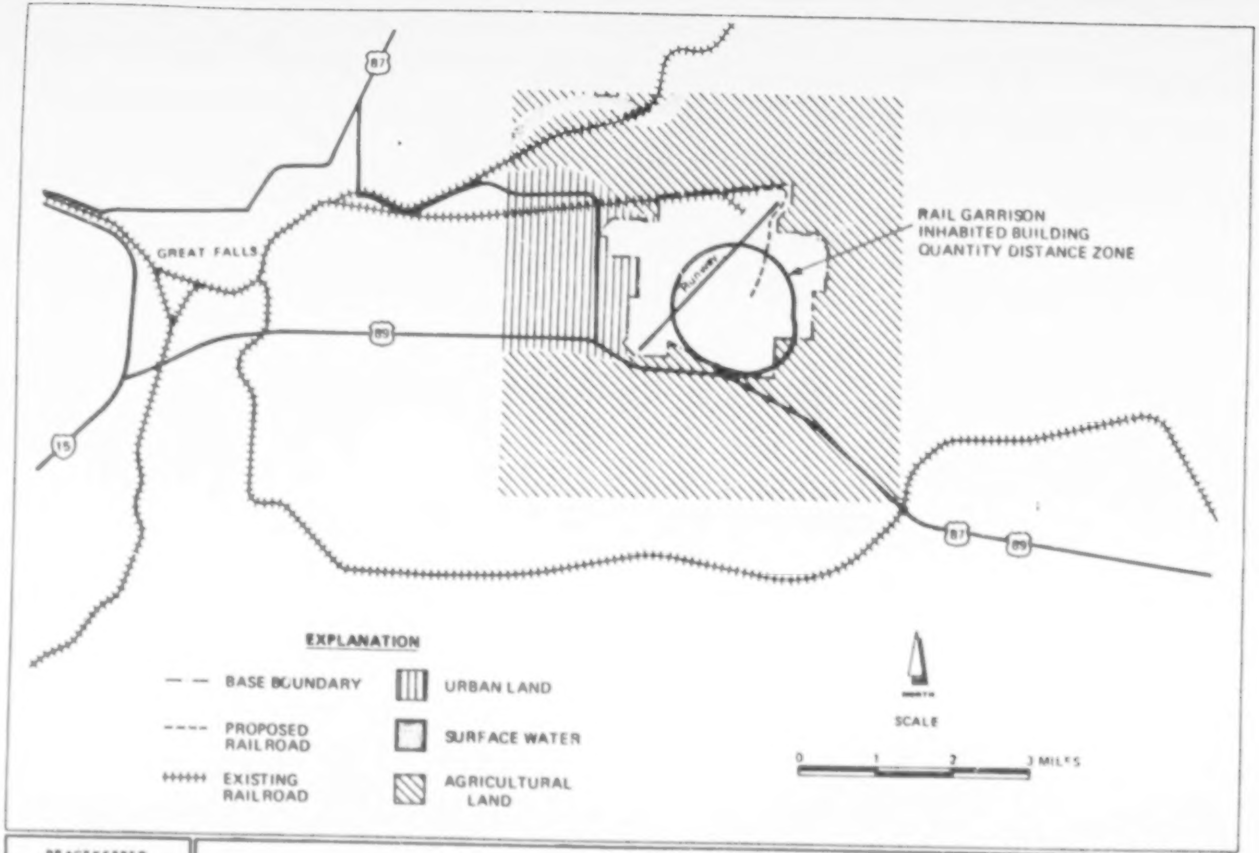
FIGURE
D-23


MISSOURI
KENTUCKY
TULSA
FORT SMITH
ARKANSAS
BLYTHEVILLE
TENNESSEE
MEMPHIS
LITTLE ROCK AFB
OKLAHOMA
LITTLE ROCK
MISSISSIPPI
TEXARKANA
TEXAS
GREENVILLE
SCALE
0
25
50
MILES
LOUISIANA

PEACEKEEPER
RAIL GARRISON
AREA NARROWING
REPORT

LITTLE ROCK AIR FORCE BASE, ARKANSAS
REGIONAL RAILROAD NETWORK

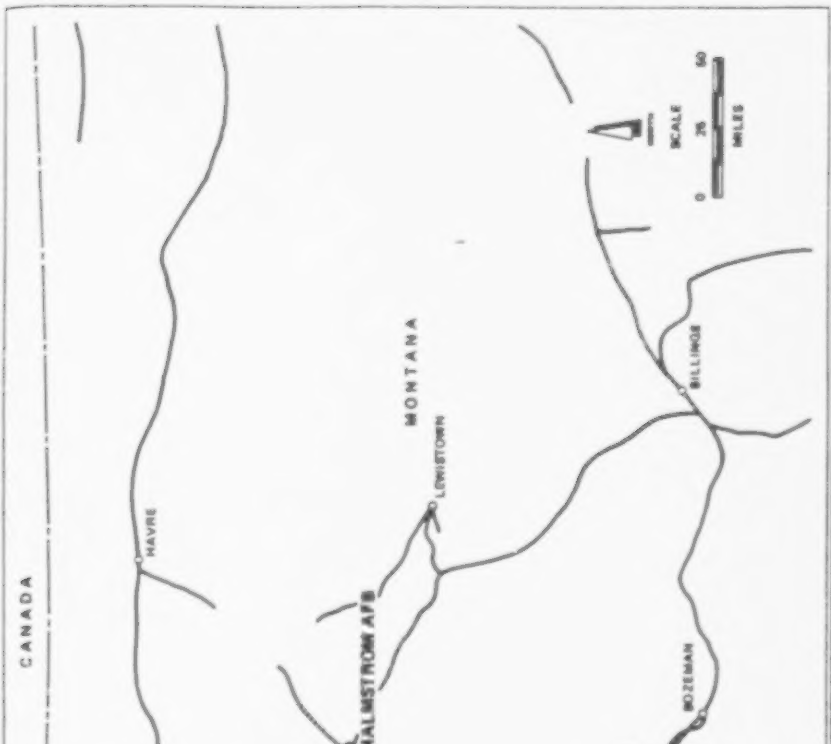
FIGURE
D-24


87
GREAT FALLS
89
15
RAIL GARRISON INHABITED BUILDING QUANTITY DISTANCE ZONE
Runway
87
89
EXPLANATION
BASE BOUNDARY
PROPOSED RAILROAD
EXISTING RAILROAD
URBAN LAND
SURFACE WATER
AGRICULTURAL LAND
NORTH
SCALE
0
1
2
3 MILES

PEACEKEEPER RAIL GARRISON AREA NARROWING REPORT

MALMSTROM AIR FORCE BASE, MONTANA

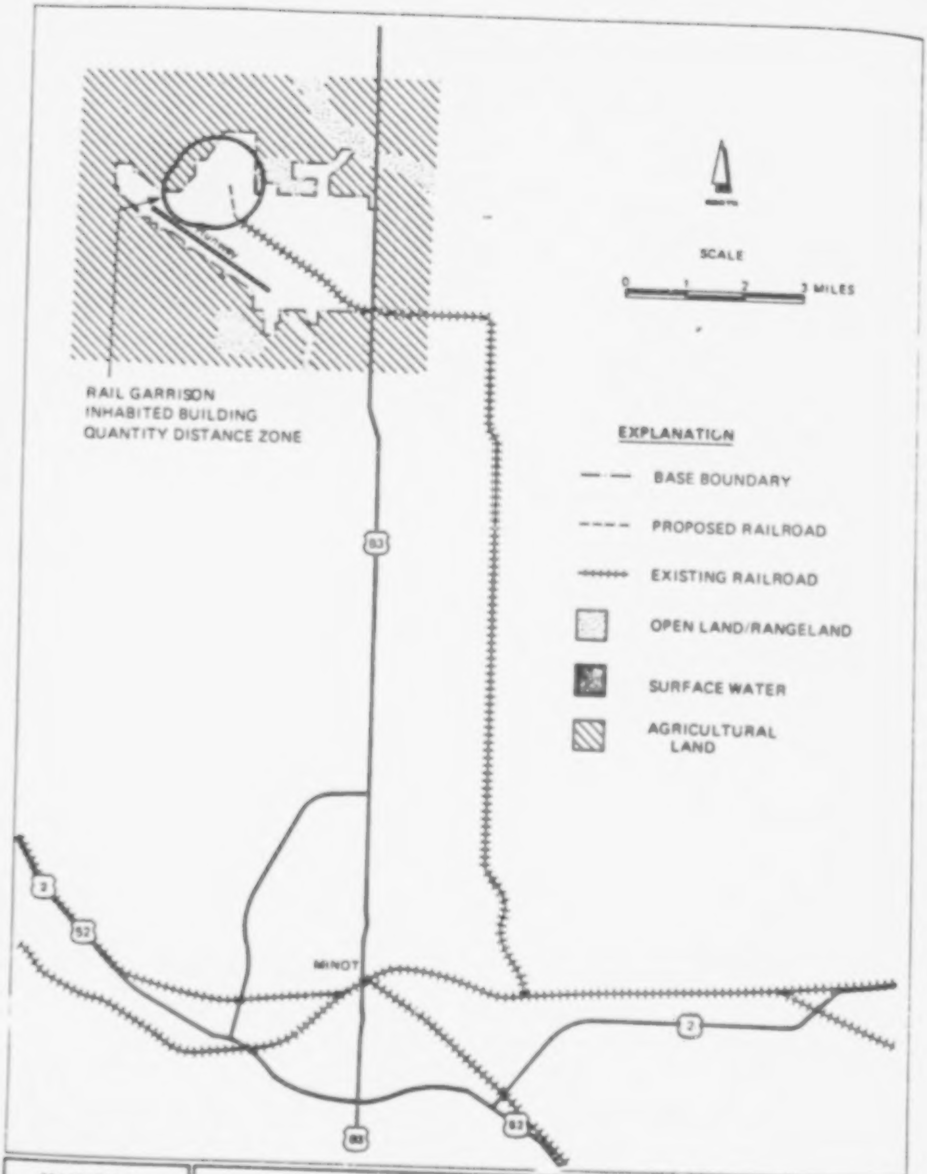
FIGURE D-27


CANADA
MONTANA
IDAHO
KALISPELL
HAVRE
MISSOULA
GREAT FALLS
MALMSTROM AFB
LEWISTOWN
HELENA
BUTTE
BOZEMAN
BILLINGS
NORTH
SCALE
0
25
50
MILES

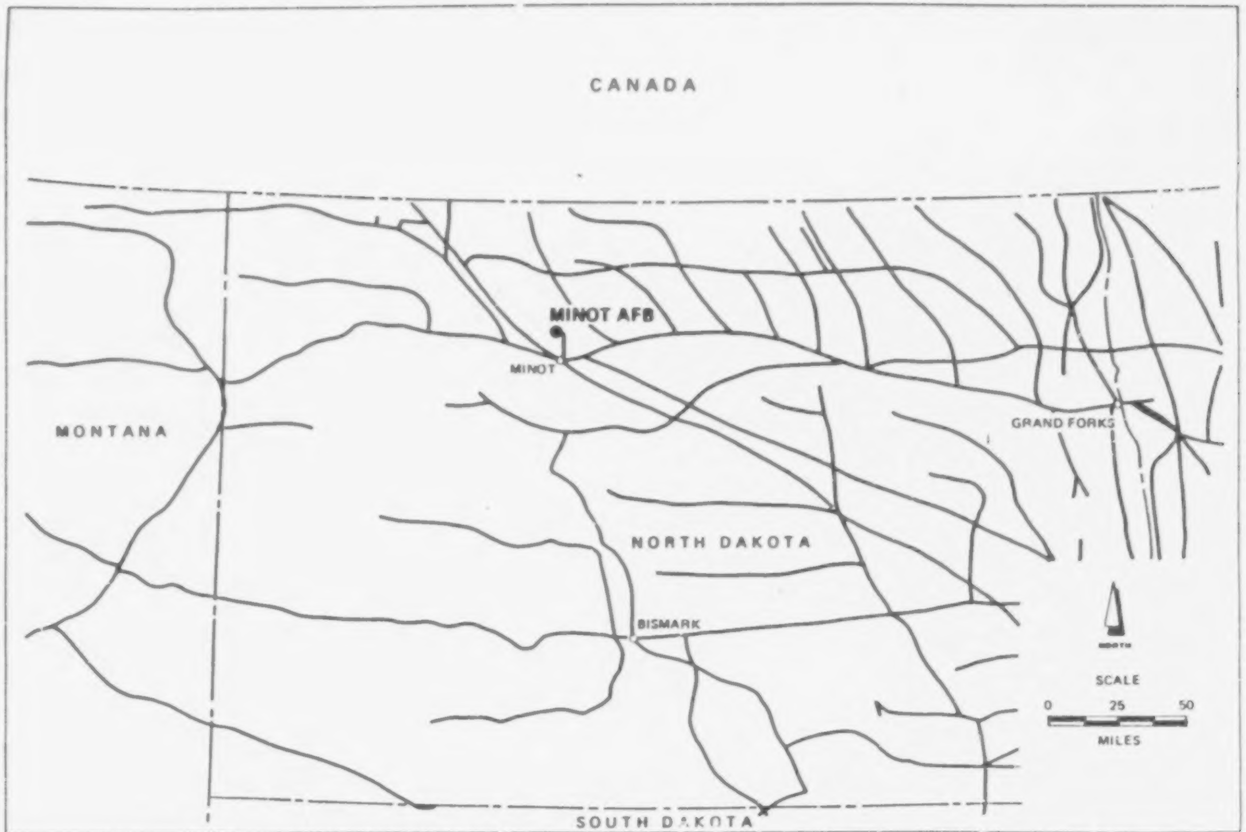
PEACEKEEPER RAIL GARRISON AREA NARROWING REPORT

MALMSTROM AIR FORCE BASE, MONTANA
REGIONAL RAILROAD NETWORK

FIGURE D-28


RAIL GARRISON
INHABITED BUILDING
QUANTITY DISTANCE ZONE
NORTH
SCALE
0 1 2 3 MILES
EXPLANATION
BASE BOUNDARY
PROPOSED RAILROAD
EXISTING RAILROAD
OPEN LAND/RANGELAND
SURFACE WATER
AGRICULTURAL LAND
83
2
52
MINOT
2
83
83

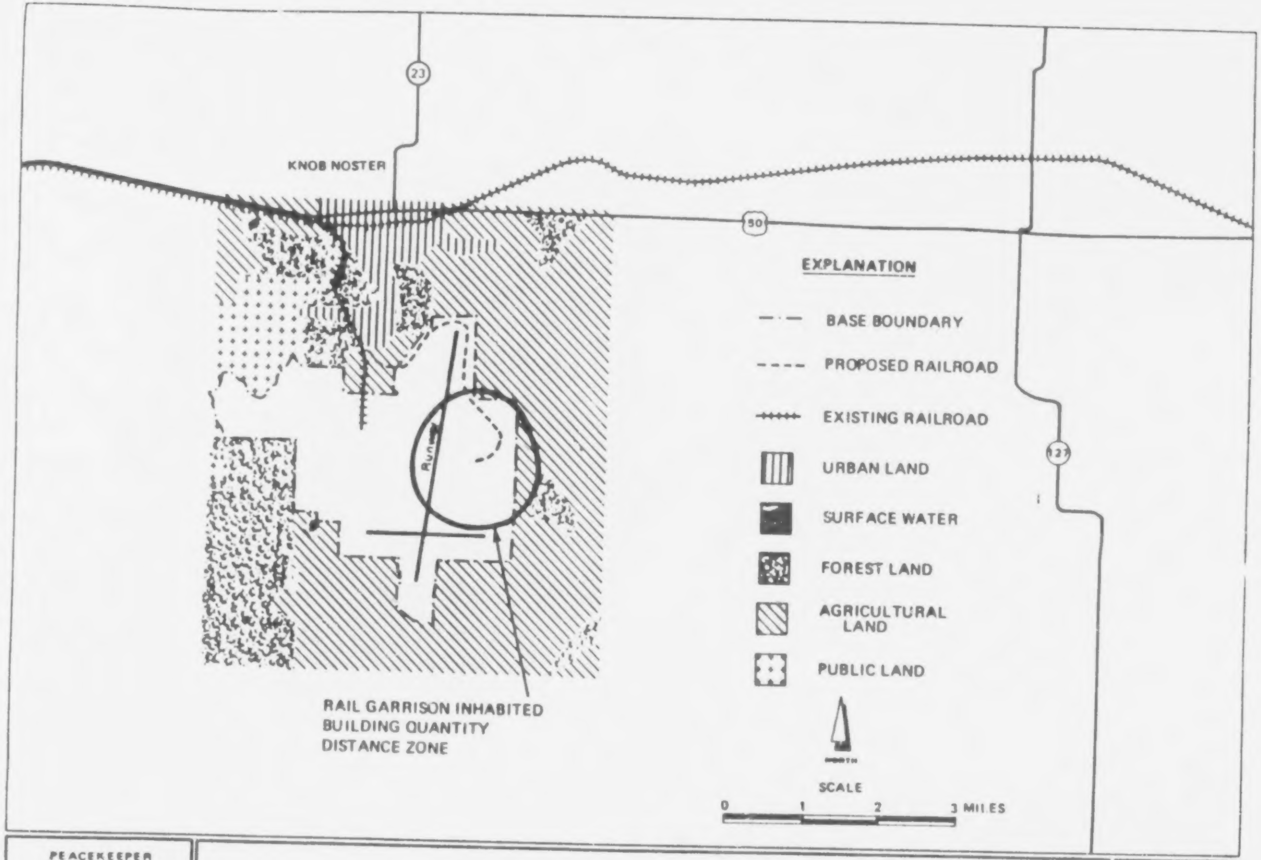
PEACEKEEPER RAIL GARRISON AREA NARROWING REPORT	MINOT AIR FORCE BASE, NORTH DAKOTA	FIGURE D-33


CANADA
MINOT AFB
MINOT
MONTANA
GRAND FORKS
NORTH DAKOTA
BISMARK
SCALE
0
25
50
MILES
SOUTH DAKOTA

PEACEKEEPER RAIL GARRISON AREA NARROWING REPORT

MINOT AIR FORCE BASE, NORTH DAKOTA
REGIONAL RAILROAD NETWORK

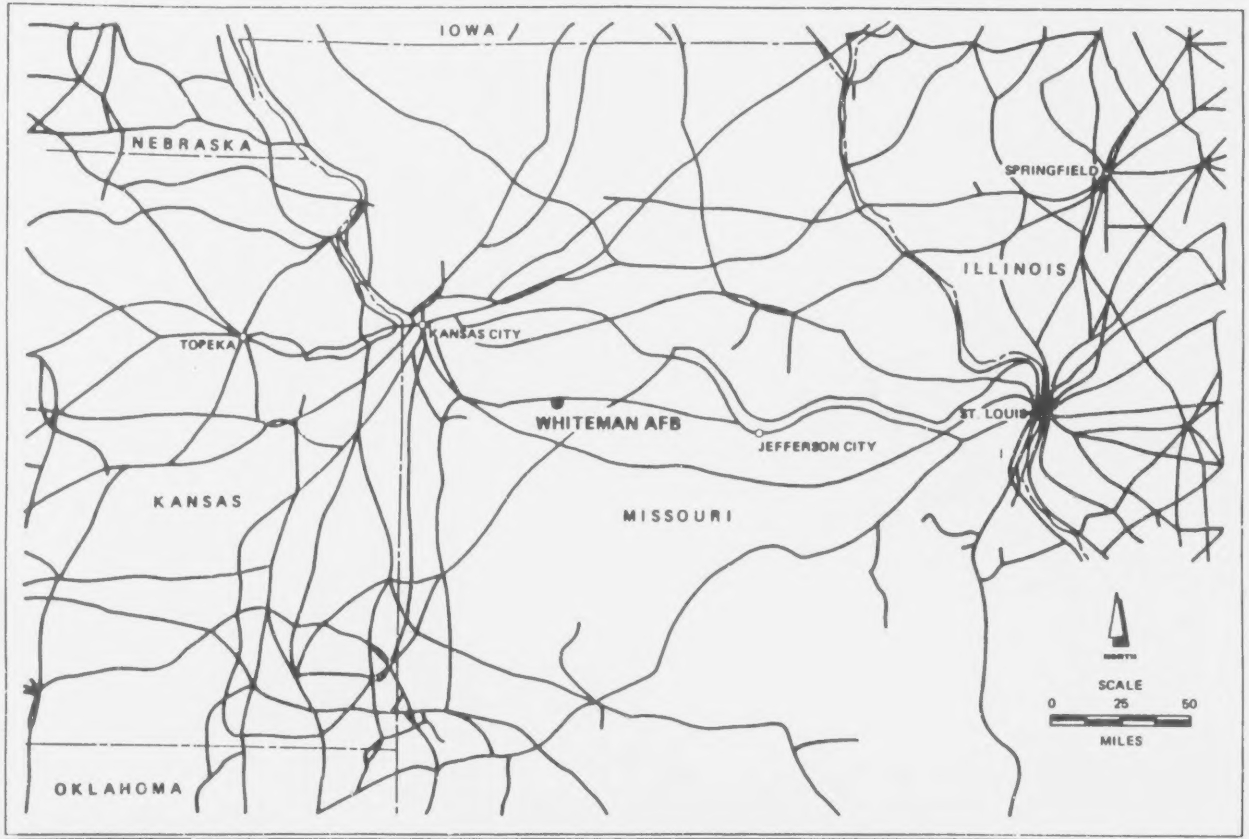
FIGURE D-34


23
KNOB NOSTER
50
127
RAIL GARRISON INHABITED BUILDING QUANTITY DISTANCE ZONE
Runway
EXPLANATION
BASE BOUNDARY
PROPOSED RAILROAD
EXISTING RAILROAD
URBAN LAND
SURFACE WATER
FOREST LAND
AGRICULTURAL LAND
PUBLIC LAND
NORTH
SCALE
0
1
2
3 MILES

PEACEKEEPER RAIL GARRISON AREA NARROWING REPORT

WHITEMAN AIR FORCE BASE, MISSOURI

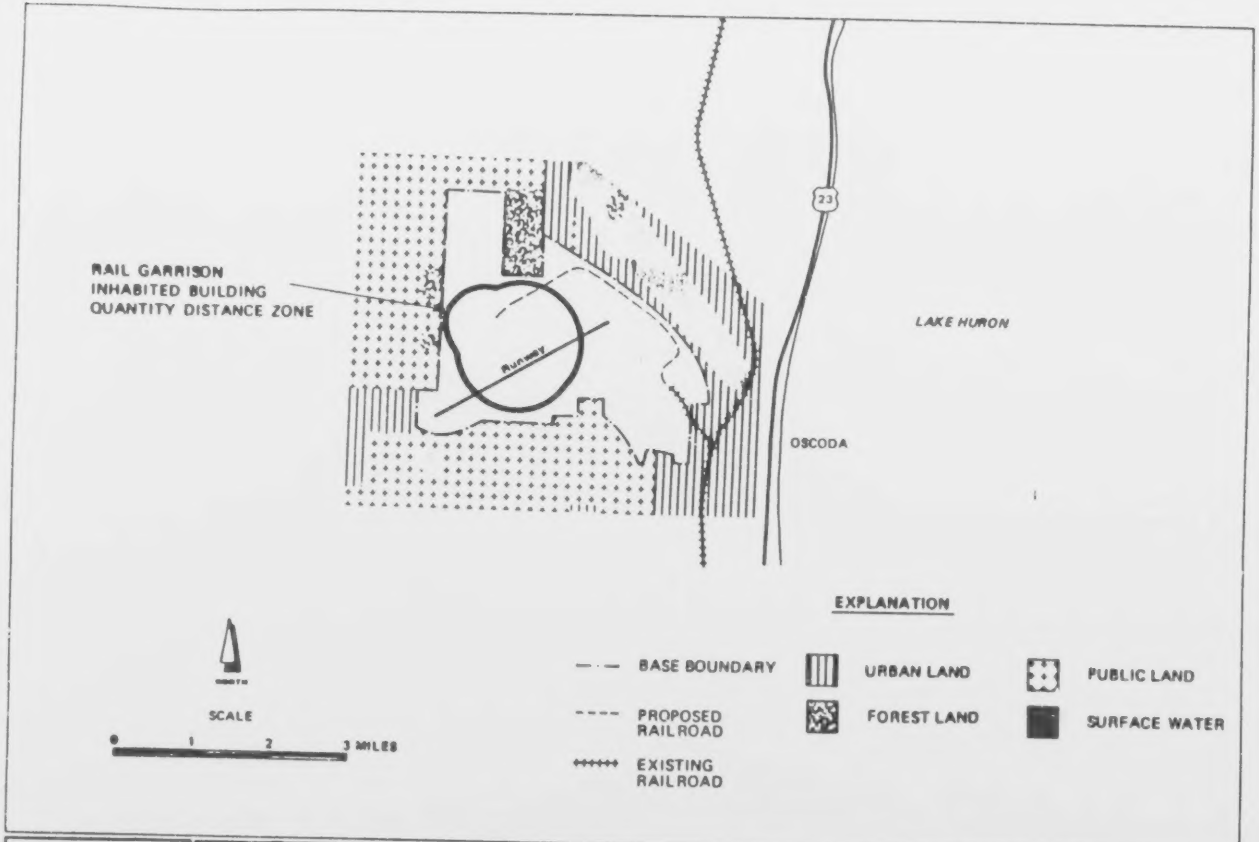
FIGURE D-39


IOWA
NEBRASKA
SPRINGFIELD
ILLINOIS
TOPEKA
KANSAS CITY
WHITEMAN AFB
ST. LOUIS
JEFFERSON CITY
KANSAS
MISSOURI
OKLAHOMA
NORTH
SCALE
0
25
50
MILES

PEACEKEEPER
RAIL GARRISON
AREA NARROWING
REPORT

WHITEMAN AIR FORCE BASE, MISSOURI
REGIONAL RAILROAD NETWORK

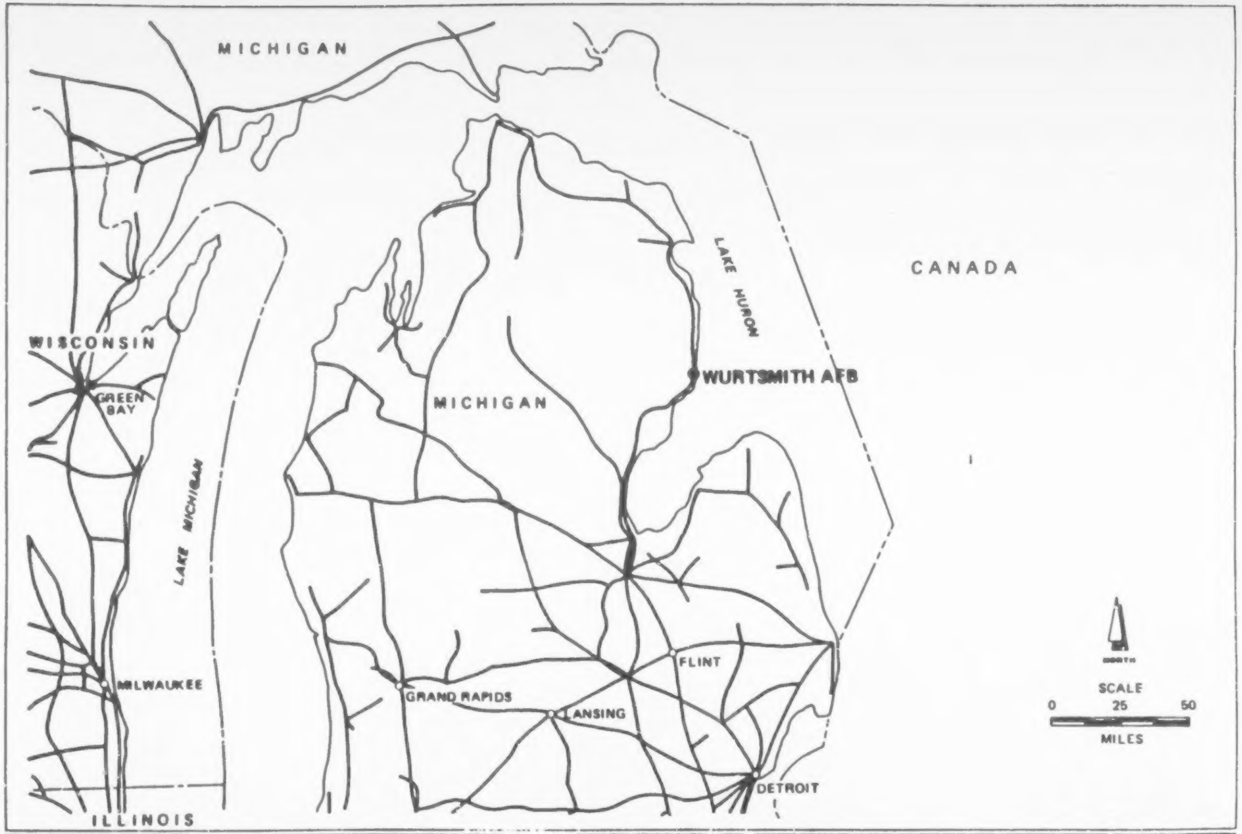
FIGURE
D-40


RAIL GARRISON
INHABITED BUILDING
QUANTITY DISTANCE ZONE
Runway
23
OSCODA
LAKE HURON
EXPLANATION
BASE BOUNDARY
PROPOSED RAILROAD
EXISTING RAILROAD
URBAN LAND
FOREST LAND
PUBLIC LAND
SURFACE WATER
NORTH
SCALE
0
1
2
3 MILES

PEACEKEEPER RAIL GARRISON AREA NARROWING REPORT

WURTSMITH AIR FORCE BASE, MICHIGAN

FIGURE D-41


MICHIGAN
WISCONSIN
GREEN BAY
LAKE MICHIGAN
MILWAUKEE
ILLINOIS
MICHIGAN
LAKE HURON
WURTSMITH AFB
CANADA
GRAND RAPIDS
LANSING
FLINT
DETROIT
NORTH
SCALE
0
25
50
MILES

PEACEKEEPER
RAIL GARRISON
AREA NARROWING
REPORT

WURTSMITH AIR FORCE BASE, MICHIGAN
REGIONAL RAILROAD NETWORK

FIGURE
D-42

RAIL GARRISON DEPLOYMENT TIME

Senator McClure. I want to take a look at how long does it take to really give you the option to use them on the rail system so that the Soviets cannot find them or predict.

General Chain. I would like to invite you and any other members of your committee and any of your staff to come out to SAC, where we can give you an in-depth briefing on that, because we have all of that data in a firm format there.

Senator McClure. I am sure you have, and I would think that the rail mobile system, the basing mode that you suggest now, is probably as good as we are likely to do, and I want to support it. But I also want to look at whatever weaknesses it may have with respect to our force structure and the vulnerability of that force structure.

General Chain. That is the exact reason why we are not asking to deploy it today. We are asking for R&D money so that we can sort through it to find out if there are any glitches.

Senator McClure. I understand that. Thank you very much.

I have no further questions, Mr. Chairman, at this time.

Chairman Stennis. Are there further questions?

Senator Leahy. Yes, Mr. Chairman, I have one last question.

MX-MIDGETMAN COMPARISON

Chairman Stennis. Senator Leahy is recognized.

Senator Leahy. Thank you, Mr. Chairman.

General, suppose you are down to an either-or, Midgetman or MX. Which best meets the crirteria for crisis stability, for survivability, where there is less incentive for a preemptive strike, and fits best in the image of—which is more apt to be seen in the image of a first strike or a second strike weapon?

General Chain. We discussed this in great detail, and I would like to just refer to the record. But let me just say now that, from a combat capability point of view—and that is my responsibility—both weapons systems will serve the country very well.

The element that seems to me to be most important in deciding how many and what have you—and I happen to support both weapons systems, and I think the Department of Defense, and the Air Force in particular, has bellied up to its responsibility and has asked for monies for both, and at the sacrifice of other things we would like to have.

But the thing that has to be weighed by you people with your responsibilities is the cost. As far as war-fighting and deterrent capability, both will serve our country very, very well.

Senator Leahy. You do not want to be put into a position where you would have an either-or hypothetical?

General Chain. I do not want that either-or, sir, because I have tried to make a case today that I as the commander need both of them. If somebody else needs the either-or, then that is where you come in.

Senator Leahy. I understand. Thank you.

I look forward to my trip out to visit you.

General CHAIN. We look forward to having you, Senator.

Chairman STENNIS. Gentlemen, it is 11:22, and I mentioned another meeting that we might have. It seems we have a chance to go to another room. It will be necessary to go to another room and hear this additional testimony.

But first, let us finish up here now. We have a gentleman who has just come in.

Senator Sasser.

Senator SASSER. Mr. Chairman, I do not have any questions of General Chain.

Chairman STENNIS. Well, we are glad you have gotten here. You may have some later.

Senator Cochran.

Senator COCHRAN. No further questions, Mr. Chairman. Thank you.

SUBMITTED QUESTIONS

Chairman STENNIS. Before proceeding into closed session, I ask unanimous consent that additional questions from members be inserted in the record at this point.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY CHAIRMAN STENNIS

STRATEGIC MODERNIZATION PROGRAM CHANGES

QUESTION: In 1981, the President launched his Strategic Modernization Program. Since then, Congress imposed two major changes to it: capping MX deployment at 50 in a nonsurvivable basing mode and initiation of the Small ICBM Program. Besides these two changes, what changes have occurred in the program which have affected the operational effectiveness of your command to accomplish its mission?

ANSWER: The nation's strategic modernization program was needed, is well-conceived, and is providing improved readiness and combat capability today. Looking to the future, Rail Garrison basing promises a more survivable PEACEKEEPER basing mode. Development of this basing mode and deployment of 50 additional missiles will further redress the imbalance in prompt hard-target capability and provide additional flexibility to the National Command Authority.

SAC MISSION

QUESTION: Is SAC more or less capable of accomplishing its mission in 1987 than it was in 1981 or 1986? What deployments and programs account for these changes, and are these programs or deployments the results of initiatives begun before or after 1981?

ANSWER: SAC is much more capable today of accomplishing its mission. Combat capability has continually increased since 1981. This increase is the result of two major initiatives--upgrading existing weapon systems and deploying modernized systems. Both the B-52 and the MINUTEMAN have benefited from upgrades that have significantly increased system life as well as warfighting capability. By leveraging systems already paid for, modest investments have provided a cost-effective means of enhancing our deterrent posture. However, it became apparent that existing weapon systems could no longer meet the growing Soviet threat alone.

Certainly the need for newer strategic forces was recognized throughout the 1970s, and several systems were proposed and designed during this period. For example, the Air Launched Cruise Missile program was begun in the 1970s, achieved initial operational capability in 1982 and completes deployment this year. The strategic modernization program, begun in October 1981, has added new capability. Today, we are deploying B-1B bombers and PEACEKEEPER missiles. Additionally, the rail garrison basing mode is under development for the PEACKEEPER and the SICBM is proceeding to full scale engineering development.

PROJECTED BOMBER FORCE STRUCTURE

QUESTION: In 1981, at the beginning of the Strategic Modernization Program, Congress was informed about the composition of the bomber force structure through at least the year 2000. Since then, one or two Strategic Bomber Force Roadmaps have been submitted to Congress. How many changes have there been to the present and projected bomber force structure since 1981, especially in terms of earlier or later than initially projected retirements, and what changes in the threat or defense budget allocations have caused those changes? In each case, does the force structure change make SAC more or less capable of accomplishing its strategic nuclear penetration mission? Its Cruise Missile mission? Its conventional mission?

ANSWER: Bomber force structure requirements are evaluated annually in light of the threat, scope of tasks to be performed, and fiscal constraints. The objective is to achieve a balance in capability across the spectrum of missions the Command is tasked to perform. Current force structure plans will provide more capability in the nuclear penetration and cruise missile missions. However, SAC's mission also includes conventional support of the theater CINCs. The theater CINCs need more of the conventional support that the SAC bomber force can provide--deep strikes beyond the range of tactical aircraft. To meet this need, I am persuaded that we must keep all B-52Gs in the inventory for the full period of their useful life. B-52Gs are now programmed for retirement starting in FY90. Rather than retire these aircraft, we should employ them in a conventional role. They are bought and paid for and offer a huge capability in the area the theater commanders need most. To fully realize this conventional warfighting potential, we must preserve bomber force structure.

B-1 BOMBER OPERATIONAL PROBLEMS

QUESTION: Please tell the Subcommittee the major system and mission requirements the B-1B aircraft was supposed to meet by IOC, those it did not meet and by what amount of shortfall, and by when it is expected to be able to meet those requirements? How have the B-1B performance shortfalls changed SAC's estimates as to when the B-1B will meet the requirements outlined in 1981 for IOC, FOC and throughout service life?"

ANSWER: The Program Management Directive (PMD) for B-1B RDT&E and Procurement contains the following statement with regard to IOC:

The B-1B IOC is defined as delivery of the [deleted] [deleted]. The projected IOC date was September 1986. The defined IOC was met.

Basic SIOP mission requirements include:

[Deleted]

The B-1B contractually meets the requirements as defined in the basic SIOP mission. Major systems that were in various stages of development/test at IOC included: terrain following, defensive avionics, and flight controls. Terrain following has since been released to SAC for routine training. Defensive avionics efforts continue and SAC receives more capability as progress is made. Flight control modification (stall inhibitor system/stability enhancement function) development and flight test continues. We expect the maturation of the warplane to continue. This is a normal process with all combat aircraft.

TASKING FOR THE B-1B AND B-52

QUESTION: Have these shortfalls required you to alter the tasking for the B-1B and the B-52 in the present SIOP, and by how much? Which aircraft has the most demanding SIOP missions now, the B-52 or B-1?

ANSWER: Every SIOP aircraft sortie is individually planned and each aircraft is selectively employed to meet mission needs. The B-1B is planned in the SIOP to maximize its capabilities and fulfill its target coverage commitment. [Deleted] [deleted]. However, the B-1B's inherent capabilities (small radar cross section and high speed) enable it to be employed in a demanding threat environment. The B-1B is a better penetrator than the B-52. Continued B-1B maturation will provide a system capable of accomplishing assigned tasking into the next century.

SIOP ASSIGNMENTS OF THE B-1

QUESTION: Did you change the SIOP assignments of the B-1 to less demanding missions once it was understood about the deficiencies of the ECM system?

ANSWER: [Deleted.]

B-1B PERFORMANCE SHORTFALL

QUESTION: Have these performance shortfalls resulted in a very low number of B-1B bombers being available either to stand alert or conduct training and squadron start-up operations?

ANSWER: All B-1Bs delivered to SAC have assigned SIOP missions. The number of aircraft on alert reflects the decision to emphasize training opportunities during the initial aircrew production phase. Aircraft not on alert are dedicated to crew production and continuation training. This leads to full B-1B crew strength earlier due to the higher number of sorties available for crew production. Currently, all B-1B aircraft are ready to generate to alert configuration and, if directed, accomplish their SIOP mission.

SIOP ALTERATIONS

QUESTION: When will these SIOP alterations be eliminated?

ANSWER: [Deleted.]

TERRAIN-FOLLOWING RADAR

QUESTION: General, there have been several reports about the computer software for the terrain following radar system. This problem has forced the Strategic Air Command to train its crews at no lower than 400 ft altitude instead of the [deleted] at which the aircraft is scheduled to perform its mission. Can you tell us, when will this problem be resolved to permit combat crews to train at the [deleted] mission altitude?

ANSWER: The TFR system was released to SAC for routine training at 500 feet. Furthermore, the system is cleared for use at [deleted]. Testing of the system continues. Present flying regulations, Air Force and FAA, often dictate higher altitude for environmental and safety considerations.

CREW TRAINING

QUESTION: Are your crews now training at [deleted] instead of 400 feet? In your estimation, is there a significant problem in training at 400 feet instead of [deleted]. Are your proficiency training requirements met by flying at the higher altitude or will additional training be required to meet such requirements?

ANSWER: No, aircrews are currently cleared to fly down to 500 feet for peacetime operations until further flight testing is completed on the Terrain Following Radar (TFR). As flight test objectives are met, lower clearance plane settings will be released. However, [deleted].

From a training standpoint, aircrew procedures, crew coordination, and instrument cross-checks vary little with altitude. Flying at 500 feet provides the training necessary to maintain proficiency in TFR operations. This altitude provides sufficient confidence in systems operations while providing a peacetime margin of safety on published training routes.

B-1B OPERATIONAL TRAINING FLIGHT OPERATIONS

QUESTION: Are there other restrictions on B-1B operational training flight operations due to any performance shortfalls, and when is it anticipated these restrictions will be lifted and that full operational flight characteristics will be available for combat crew training?

ANSWER: Certain restrictions will always be placed upon aircrews to ensure an adequate margin of safety for peacetime combat crew training. There are no significant aircraft performance restrictions which adversely effect aircrew training. Improvements to flight controls and the terrain following radar system will enhance and expand an already acceptable B-1B performance envelope.

B-1B ECM

QUESTION: A major source of the B-1B's current deficiencies is the problem being experienced with its complex defensive electronic countermeasures system, known as the ALQ-161. Yet, as late as April 15, 1983, the B-1B program manager was stating that he had "high confidence in its ability to defeat the threats." What has occurred in the past three-and-a-half years to change this situation?

ANSWER: The Air Force still has high confidence in the operational capability of the mature ALQ-161 defensive system. While the system has not currently realized its full defensive potential, the Air Force has a plan to quickly upgrade the capability of the ALQ-161 by completing its development over the next several years. In short, the B-1 can effectively counter today's threat and that capability will grow as development and testing are completed to enable it to effectively counter the threat of the 1990's.

ALQ-161 FUNDING

QUESTION: The budget includes $375.7 million in FY 1988 and $219.8 million in FY 1989 to fix software problems on the ALQ-161. What confidence do you have that the contractor can fix this system in this time frame?

ANSWER: The B-1B's FY 1988/1989 RDT&E request includes $595.5 million for continued development of the baseline system. Of this amount, about $80 million is budgeted to cover liabilities associated with the defensive avionics contract. Additional funds within the request indirectly support continued development of the defensive system bringing the total to about $150 million. The Air Force has a plan to quickly upgrade the capability of the ALQ-161 by completing its development over the next several years and is confident in the contractor's ability to meet this plan.

ALQ-161 UPGRADES

QUESTION: After the current problems are fixed, the Air Force is considering upgrading the ALQ-161 to enhance its penetration capabilities. Considering the problems which the system has already experienced and the difficulty in responding to the future threat, why is upgrading the system cost-effective?

ANSWER: The B-1B will be an effective penetrator well into the 1990s. Without upgrades to the baseline ALQ-161 system, B-1B penetration effectiveness will necessarily erode as the Soviets continue to deploy advanced threat systems in the 1990s. However, as the Advanced Technology Bomber (ATB) is deployed in the 1990s, the B-1B will be transitioned to the less demanding shoot-then-penetrate role. The synergism of a mixed force of B-1Bs and ATBs will stress Soviet defenses well into the 21st century. However, routine updates to the B-1B's ECM system will be required throughout its service life to insure its continued viability as a nuclear and conventional bomber and cruise missile carrier. This move, countermove imperative is a fact of life in the ECM business.

ALQ-161 UPGRADE CAPABILITY

QUESTION: What probability would you assess that the upgraded system will meet the future threat?

ANSWER: The B-1B, even with the partial capability of its developing defensive system, meets today's threat. The Air Force has a plan to quickly upgrade the capability of the ALQ-161 by completing its development over the next several years. This upgraded system will further increase the B-1B's penetration effectiveness in spite of Soviet deployment of advanced threat systems. As the Advanced Technology Bomber is deployed in the 1990s and B-1B penetration effectiveness begins to erode in the face of robust Soviet defenses, the B-1B will be transitioned to less demanding roles.

GAO REPORT ON ALQ-161

QUESTION: The GAO says that "even if all current problems with the ALQ-161 are worked out as scheduled, enhancements could not be deployed until the mid-1990s at the earliest." Isn't that date the estimate of about when, because of Soviet threat improvements, the B-1B was to be transferred out of the penetrating bomber mission, even if its defensive avionics was fully operational as intended? Why is it necessary to upgrade the defense avionics beyond its baseline capabilities, once they are fixed, if the B-1B will not be used as a penetrator by the time the enhancements are deployed?

ANSWER: The B-1B will be an effective penetrator well into the 1990s. As the Advanced Technology Bomber (ATB) is deployed in the 1990s, the B-1B will be transitioned to the less demanding shoot-then-penetrate role. Still, the shoot-then-penetrate mission will require effective defensive avionics. The synergism of a mixed force of B-1Bs and ATBs will stress Soviet defenses well into the 21st century. Routine upgrades to the B-1B's ECM system will be required throughout its service life to insure its viability as a nuclear and conventional bomber and cruise missile carrier in the face of an evolving threat.

B-1B PENETRATION EFFECTIVENESS

QUESTION: How many years after 1990 do you believe the B-1 will be an effective penetrator of Soviet defenses without upgrading the ECM system?

ANSWER: The B-1B will be an effective penetrator well into the 1990s. As the Advanced Technology Bomber (ATB) is deployed in the 1990s, the B-1B will be transitioned to the less demanding shoot-then-penetrate role. The synergism of a mixed force of B-1Bs and ATBs will stress Soviet defenses well into the 21st century. Routine upgrades to the B-1B's ECM system will be required throughout its service life to insure its viability as a nuclear and conventional bomber and cruise missile carrier in the face of an evolving threat. This move, countermove imperative is a fact of life in the ECM business.

B-1B ASSESSMENT

QUESTION: How has this assessment changed since 1981, when the decision to build the B-1 was first agreed upon?

ANSWER: Our assessment has not changed appreciably since 1981. The B-1B was envisioned as an interim penetrator that would bridge the gap between the B-52 and the Advanced Technology Bomber. That assessment is still valid.

B-1B AS A CRUISE-MISSILE-CARRYING AIRCRAFT

QUESTION: The B-1 bomber is scheduled to become a cruise missile platform, when it relinquishes its penetrating mission to the ATB. Have you considered the possibility of just using the B-1 as a cruise-missile-carrying aircraft and awaiting the ATB to be the next penetrating bomber?

ANSWER: Our force structure plans are optimized to hold Soviet targets at risk in the face of an evolving threat. These time-phased plans carefully transition B-52s and then B-1s to less demanding SIOP roles as new bombers come on line.

ECM FIXES

QUESTION: If you were to limit the B-1 role to that of cruise missile platform, would the ECM fixes still be necessary? Would the ECM upgrade program still be necessary to enable the B-1 to fulfill the less-demanding cruise missile mission?

ANSWER: Yes, completing development of the baseline ECM system would be necessary even in this limited hypothetical role. Projected Soviet reaction to the cruise missile threat will require that we achieve a robust ECM capability to insure survivability. Additionally, even if the B-1 was no longer tasked with the nuclear penetration mission, an effective ECM system would be required to insure its viability as a conventional bombing platform.

SURVIVABLE BASING MODE FOR MX MISSILES

QUESTION: In 1985, Congress stipulated that no more than 50 MX missiles be procured for deployment unless a basing mode more survivable than the Minuteman silos in which these 50 are to be based is specifically authorized by legislation. Yet, the Air Force has admitted that, under a surprise attack, most rail garrison MX missiles would be no more survivable than MX in Minuteman silos. If so, how does this meet Congress's mandate to develop a more survivable basing mode for the second 50 MX missiles?

ANSWER: The least likely of all scenarios is a surprise attack. As Scowcroft pointed out, no one system is survivable against all threats. That's one of the reasons we are also developing the Small ICBM - because it does very well against the unlikely event of a surprise attack. Small ICBM and Peacekeeper in Rail Garrison provide outstanding flexibility and survivability. Peacekeeper in Rail Garrison will give future Presidents new flexibility to avoid a "use or lose" situation by taking advantage of even subtle warning indicators from the Soviets. This will enable us to maintain a credible deterrence for all situations through the foreseeable future.

SURVIVABILITY OF RAIL GARRISON MX

QUESTION: In the past, our land-based ICBMs were survivable without dependence on either "tactical" warning [deleted] minutes) or "strategic" warning (several hours). MINUTEMAN silo vulnerability has meant U.S. ICBMs relied on tactical warning for even limited survivability. Has the Strategic Air command abandoned "tactical" warning in favor of "strategic" warning as the most prudent planning factor for assessing the survivability of rail garrison MX?

ANSWER: SAC depends upon both strategic and tactical warning to appropriately posture forces for effective employment. [Deleted]. SAC will continue to use both strategic and tactical warning to ensure an adequate retaliatory response as directed by the National Command Authorities (NCA).

SOVIET THREAT

QUESTION: What changes have occurred in our understanding of the Soviet threat--has it decreased, for example--that justify this decision. If "strategic" warning is acceptable for this component of our strategic forces, why shouldn't this standard be applied to the other legs of the TRIAD?

ANSWER: Based on our knowledge of the Soviet threat, we have a set of flexible and credible response options to deny Soviet war aims. We are now developing and deploying the flexible strategic forces necessary to implement the response options and achieve employment objectives. Strategic forces are not designed to be totally dependent on strategic warning or tactical warning. [Deleted].

INITIAL OPERATING CAPABILITY OF RAIL-GARRISON MX

QUESTION: In December, shortly after the President's new ICBM decisions were announced, the Air Force briefed the Congress and said that the Initial Operating Capability of rail-garrison MX was 1990. Now, the Air Force says that date is 1991. Can you explain why this has changed?

ANSWER: Shortly before the President decided to develop Rail Garrison, the Air Force was contemplating a 1990 IOC. The President decided to develop the rail garrison mode and make a deployment decision in time to affect the FY 90 budget. By waiting to make a deployment decision, the IOC was deferred until 1991.

PROJECTED COST INCREASE OF MX-RAIL GARRISON

QUESTION: In December 1986, MX-Rail Garrison was estimated to cost $8.3 billion to acquire. In January 1987, less than one month later, the acquisition cost was estimated at $8-10 billion. What accounts for this projected increase, and why did it occur in such a short period.

ANSWER: In December we showed you a point estimate of $8.3 billion (FY 84). We have since changed it to a range estimate of $8-10 billion (which includes the point estimate of $8.3 billion). We did this to accommodate strongly voiced desires to make the Rail Garrison System as robust as possible. Once the exact robustness of the system is baselined this summer we will be glad to provide you an updated point estimate.

CONFIDENCE IN BUDGET PROJECTIONS

QUESTION: Why should Congress have any confidence in any of these budget projections for the MX-Rail Garrison acquisition at this time in the program?

ANSWER: The projected acquisition cost is an estimate that was developed and refined by the Program Office based on thirty years of experience in developing and deploying ICBMs. The Program Office has produced a Peacekeeper program which is well within schedule and cost and a Small ICBM program that has been praised by Congress as a model of acquisition management.

BREAKOUT OF FY 1988 - 1992 MX-RAIL GARRISON BUDGET

QUESTION: Please provide a detailed breakdown of procurement of R&D and military construction funds estimated be required between FY 1988-92 for the MX-Rail Garrison basing mode -- using current and constant FY 1984 and FY 1988 dollars -- along with any MX missile procurement and R&D costs specifically associated with deployment of 50 additional missiles in the rail garrison basing mode.

ANSWER: The procurement, RDT&E and military construction funds (FY 88 - 92) required for Rail Garrison are 8-10 billion in FY 84 dollars, 9-11 billion in FY 88 dollars and 10-12 billion in then year dollars. These totals include the cost of 50 missiles. The Air Force is currently developing a Rail Garrison Selected Acquisition Report (SAR) which will contain a detailed breakout of program costs. The SAR should be forwarded to Congress in the next month.

DETAILED OPERATIONAL CONCEPT FOR THE RAIL-GARRISON MX

QUESTION: The Air Force says that the Strategic Air Command has not finished developing an approved, detailed operational concept for the rail-garrison MX. Shouldn't that task have preceded a request for almost $600 million in basing R&D in FY 1988 and about twice that amount for FY 1989?

ANSWER: No. We need the R&D funding to conduct trade studies and develop the operating procedures necessary for a detailed operational concept.

RAIL GARRISON-MX BASING MODE

QUESTION: The Air Force says that the system is ready for full-scale development because U.S. rail car technology is very advanced. Yet, the dollars requested for R&D indicate substantial additional work is required on this basing mode. Does that demonstrate that rail garrison-MX is a thoroughly considered basing mode and ready for full-scale engineering development?

ANSWER: Yes. The rail garrison concept couples existing railroad technology with the already proven Peacekeeper missile. As such, it is considered low risk from a cost, schedule and technical viewpoint. As any program entering FSD, there is considerable development work yet to be accomplished, as reflected in the FY 88 RDT&E cost estimate for this program.

VALUE SMALL ICBM OR MX-RAIL GARRISON

QUESTION: Peacekeeper Rail Garrison will go on line in 1991. Small Mobile ICBM will go on line in 1992. One or the other, as General Chain said, could meet his military requirements. In terms of survivability, the Small ICBM has the advantage, according to the Air Force's briefing, because it can disperse within thirty minutes for survivability, while it would take three to six hours for MX Rail Garrison to disperse for survival. In terms of cost, MX has the apparent advantage. In terms of system availability, both would become available at about the same time. With availability about equal, which do you value more highly, the survivability of the small ICBM or the lower cost of the MX-Rail Garrison?

ANSWER: Both systems will make unique contributions to the US deterrent posture, and as such, it is unrealistic to couch them in an "either-or" framework. Peacekeeper is the foundation of an affordable Triad, while Small ICBM is a highly capable adjunct offering enduring targeting flexibility. In addition, both greatly complicate Soviet attack planning, are extremely resilient to projected threats and offer outstanding survivability. To provide a full spectrum of deterrent capability, we need both systems.

SMALL ICBM VARIANTS

QUESTION: In the final decision-making stages, there were two major candidates considered for the small ICBM program--the one-warhead, 37,000-pound missile and the two-warhead, 52,000-pound missile. The President selected the smaller, single-warhead version. From the standpoint of the operational commander, what are the advantages and disadvantages of both variants in terms of meeting your targeting and operational needs?

ANSWER: The single-warhead Small ICBM will complement the other ICBM forces by enhancing employment flexibility throughout the conflict spectrum--addressing targets that may be widely separated in time of appearance and/or location. The 37,000-pound missile and associated hard mobile launcher (HML) offer excellent mobility and, therefore, excellent survivability. The 37,000-pound missile also will be available fully two years earlier (1992) than the larger missile (1994). These factors override the possible cost savings of 12% from a two warhead system. Furthermore a two warhead missile would not offer as much employment flexibility as a single warhead missile nor would it be able to generate as much dispersal area for survivability.

SMALL ICBM COMPARISON

QUESTION: How do these systems compare from the perspectives of cost, schedule, survivability, (percent of force surviving Soviet surprise attack with only tactical warning, 30 minutes, available; percent of force surviving under strategic warning, six hours), pre-launch operational flexibility, and mission effectiveness? Provide specific data in each category for the record.

ANSWER: Life cycle costs for the two-warhead Small ICBM are projected to be 12 percent less than for the single-warhead Small ICBM.

The single-warhead Small ICBM can be deployed in 1992 two years earlier than a two-warhead version.

To generate equal area (and thus provide equal price to attack) the single-warhead system would be based at two Minuteman wings while the two-warhead system would be based at one Random Movement Complex in addition to the two Minuteman wings.

The percent of force surviving under conditions of tactical warning and strategic warning would be a function of the number of enemy weapons targeted against the system and would thus be dependent on the attack scenario. Even under the most conservative minimal warning conditions, however, the massive number of enemy weapons required to target the Small ICBM force would make such an attack infeasible.

The lighter launcher weight of the single-warhead Small ICBM provides greater mobility and thus a greater degree of pre-launch operational flexibility. Lack of multiple warhead targeting constraints, high mobility, and high survivability provide higher mission effectiveness for the single-warhead Small ICBM for its intended mission.

SMALL ICBM WARHEAD CHARACTERISTICS

QUESTION: How much of desirable characteristic is it that the single-warhead small ICBM requires the Soviets to target many more warheads to destroy it than does the two-warhead small ICBM, and how important is that feature in terms of increasing complexities to a Soviet attack planner and, thus, of deterring such an attack?

ANSWER: The two-warhead Small ICBM would generate almost the same area as the single warhead missile and thus, for a barrage the price-to-attack would be nearly the same for an equal number of warheads deployed. It is important to note the Soviets cannot attack the Small ICBM in isolation, but must consider all their other targeting tasks. Additionally, either missile option would exceed the Soviet's capability to barrage attack. Therefore, the Soviets will have to treat Small ICBM as a relocatable target. And for both now and into the foreseeable future the Soviets will not be able to attack relocatable targets.

The key issue between the single and two-warhead Small ICBM is that a change away from the single-warhead missile development would delay initial operational capability by a minimum of two years and increase program risk for only a relatively minor decrease in system cost.

SMALL ICBM CHARACTERISTIC VALUES

QUESTION: How would you value this characteristic compared with the less expensive costs of the two-warhead small ICBM?

ANSWER: Both the single-warhead and two-warhead missile are about equal on this characteristic. But, because of the two year earlier initial operational capability available with the single variant, compared with the increased program risk and the relatively small savings in program cost associated with the two-warhead variant, we believe the single-warhead Small ICBM is the better of the Small ICBM alternatives.

OTHER SMALL ICBM CHARACTERISTICS

QUESTION: What other characteristics of the single-warhead ICBM justify going forward with it despite the reduced costs of the two-warhead version, and what characteristics of the two-warhead Small ICBM make it less desirable than the single-warhead version?

ANSWER: The single warhead missile conforms to the stability, operational, and arms control considerations enumerated in the Report of the President's Commission on Strategic Forces (Scowcroft Report). The single-warhead ICBM provides planners with targeting flexibility because it is not subject to the targeting efficiency constraints imposed on multiple warhead systems. The single-warhead system's lower weight and smaller size will provide increased flexibility in selection of specific basing sites. The single-warhead version will also have lower development costs than the two-warhead version and can be deployed two years earlier.

SMALL ICBM LIFE CYCLE COSTS

QUESTION: Although the two-warhead Small ICBM reduced by half the number of missiles requiring deployment -- from 500 to 250 -- the life cycle costs for the larger missile are only about 12 percent less than those for the single-warhead Small ICBM. Even if acquisition costs are about double for the two-warhead missile, because it is larger and required a heavier transporter and more road construction work, operating costs are about the same for both versions, according to Air Force figures. Why does operating half as many mobile missiles -- 250 missiles -- even if the manpower is cut by one-fourth to one-third, cost almost the same as operating twice that deployment -- 500 missiles?

ANSWER: The Air Force operations and support (O&S) figures represent costs for basing the systems in modes that would allow each system (single-and two-warhead) to produce approximately equal area generation. To generate equal area the single-warhead system would be based at two Minuteman wings while the two-warhead system would be based at one Random Movement Complex (RMC) in addition to the two Minuteman wings. It is more expensive (O&S) to deploy launchers in the RMC and therefore the O&S figures for the two systems are approximately the same.

ICBM SURVIVABILITY REQUIREMENTS

QUESTION: The Air Force has stated a requirement for [deleted] modern land-based warheads, which it would achieve through deployment of [deleted]. We have been informed that this would yield a total of (d) surviving prompt, modern, hard-target kill warheads. However, before Congress stopped MX silo deployment at 50 missiles, the Air Force stated there was a requirement for (d) surviving MX warheads alone. Considering that high-value Soviet targets have become harder, which could increase, not decrease, US warhead requirements, what accounts for this change in the Air Force's requirement for surviving, modern ICBM warheads?

ANSWER: There has been no fundemental change in the national requirement for a modernized ICBM force. [Deleted] [deleted]. To this end, survivability for future ICBM systems is an important factor.

MX WARHEADS

QUESTION: Has the Air Force changed this requirement to make the lower number of surviving MX warheads more acceptable to Congress?

ANSWER: Again, there has been no fundamental change in national requirements for a modernized ICBM force. Acquiring (d) prompt, high quality, counterforce ICBM warheads is essential to ensuring a credible nuclear deterrent. These warheads are necessary to begin redressing the critical and destabilizing shortfalls in our ability to effectively and confidently hold at risk Soviet hardened strategic assets. In combination with other TRIAD forces, the addition of (d) modernized ICBM RVs increases the uncertainty of a successful Soviet attack and strengthens the effectiveness of US retaliation capability.

THREATS TO SMALL ICBM AND MX RAIL-GARRISON

QUESTION: The rail-garrison MX and the Small ICBM program were both structured to absorb an attack by the entire Soviet force of SS-18 follow-on variant missiles. Even without considering when the Soviets will develop submarine-launched missile warheads with hard-target kill capabilities, this would seem to overlook the present and expected hard-target kill capabilities of the thousands of warheads on the SS-19 and SS-X-24 missiles. Considering that, in the past DoD has highlighted the counterforce threat posed by the SS-19, and the potential counterforce threat posed by the SS-X-24, has the Air Force understated the threats to both the Small ICBM and the MX rail-garrison?

ANSWER: [Deleted.]

Consequently, we do not believe we have understated the threat; it is very conservative, especially when operational and other factors are taken into consideration.

SURVIVABILITY OF SMALL ICBM AND MX-GARRISON

QUESTION: What percent of the Small ICBM force, and of the MX-Rail Garrison force, and of the Minuteman III/MX-in-silos force, would survive a Soviet first-strike attack in each of these cases: (a) A surprise attack with only tactical warning (thirty minutes) available to U.S. Forces; (b) An attack with strategic warning (six hours) available to U.S. forces.

ANSWER: In addition to assigning a value to the warning function as you have in your question, there are a number of other significant variables that come into play in a calculation of U.S. Triad weapon system effectiveness in response to a potential Soviet attack plan. In order to make a parametric assessment of effectiveness, one must first characterize the nature of the Soviet attack plan, then select a U.S. response strategy against it. Among other things, this characterization must include weapon to target assignments, strike timing, and reserve requirements. Once these assignments are made, one can calculate an effectiveness of forces and remaining assets of value for both sides after the execution of such a scenario.

These are the calculations, regardless of the alternatives chosen by warplanners, that deter Soviet aggression. In this context, it is not clear that a calculation of effectiveness of only one leg of the Triad is useful, since one could select alternate characterizations and strategies, which could cause large swings in effectiveness numbers. Regrettably, such calculations taken in isolation ignore the resulting effects on the other two legs of the Triad. Moreover, they do not reflect how close the Soviets may have come to achieving their war aims. Said another way, one could select improbable attack characterizations designed to defeat one leg of the U.S. Triad, while at the same time producing a corresponding increase in the effectiveness of the other legs.

Conducting a parametric analysis of the warning function would reveal that the effectiveness of U.S. strategic force elements is sensitive to a degree to its deployment configuration. All in all, it is our belief that the Soviet warplanner continues to calculate unacceptable loses when compared to gains in any scenario of aggression. It is our responsibility to maintain each element of the Triad to ensure an effective deterrent.

SOVIET STRATEGIC DEFENSE PROGRAM

QUESTION: As SAC Commander, you have the ultimate responsibility for operating and targeting our strategic offensive forces. Your daily concern has to be how our offensive forces can overcome Soviet defensive forces today and in the future. The Soviets had a substantial program researching the potential for futuristic strategic defenses long before the President's Strategic Defense Initiative was created. As SAC Commander, would you be concerned if the Soviets began developing, testing, and deploying space-based, or other mobile, strategic defenses similar to those being researched in our SDI program?

ANSWER: The Soviets have invested considerable resources in research testing and fielding strategic defensive systems. In my view, the US is behind in this critical area. As SAC commander, I am concerned when any potential enemy has capabilities, offensive or defensive, that we do not possess or cannot counter.

SAC STUDY ON SOVIET SDI DEPLOYMENT

QUESTION: Last year, SAC had just begun a study to assess the likely impact on SAC's requirements for strategic offensive forces and force levels from a Soviet SDI deployment. What were the conclusions of this study, and are you incorporating those conclusions into your planning, programming, and budgeting for future strategic offensive forces? If this study is not finished, will you provide it to the Subcommittee upon completion?

ANSWER: SAC has not initiated a formal study to assess the impact of a Soviet SDI deployment on strategic offensive forces and force levels. We continue to follow Soviet research on advanced technologies that may have application to Soviet defensive forces. However, until such time as the nature and capabilities of such defenses can be better defined, the impact on future SAC offensive force requirements cannot be quantified.

PRIORITY OF BUDGET PROGRAMS

QUESTION: The Defense Department is placing added emphasis on input from the unified and specified commanders in assigning priority to budget programs. Are you satisfied with the current situation, that is, do you feel your requirements are adequately funded in the President's budget given a budget which includes only 3% real growth.

ANSWER: DoD has made significant efforts in the last three years to increase the visibility and voice I have in the allocation of resources. As a Specified commander, most of my resource needs are addressed in the Air Force Program Objective Memorandum (POM). I also present an integrated priority list to the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and the military departments involved before the POM process begins. Each Service then addresses how it will meet my needs in their POM. Then JCS reviews how each Service meets my needs in their POM. I then have a chance to discuss my requirements with the Defense Resources Board as they review the Service POMs. These opportunities to express my needs do not ensure that I receive all the resources that I require. They do assure that I have an input in the development of the budget and that I can monitor an equitable allocation of resources to accomplish SAC's mission at whatever level of funding is available. Three percent real growth is a minimum figure which the nation should seek to maintain given the present world situation.

PROCUREMENT SCHEDULE LESSONS

QUESTION: General, the Congress had approved purchase of 100 bombers before you had a chance to evaluate the performance of the system. Are there lessons to be learned about procurement schedules from this example?

ANSWER: As with all of our Air Force procurement programs, we have learned several valuable lessons from the B-1B experience. We are currently capitalizing on this information by thoroughly reviewing these lessons learned and how they can be applied to the ATB program. With regard to the performance evaluation of the B-1, our confidence in the B-1B capabilities was based on the 2000 flight test hours accumulated during the B-1A program in the late 1970's.

B-1B ACQUISITION STRATEGY

QUESTION: As an operator of the systems procured by the Air Force, do you feel the acquisition strategy of the B-1 which compressed the procurement into a short period was the most prudent course?

ANSWER: In 1980, Congress mandated that the Air Force deploy a multirole bomber with an Initial Operational Capability (IOC) not later than 1987. The Air Force selected the B-1B and structured a prudent acquisition strategy that met the IOC mandate at the lowest cost.

B-1B FUNDING

QUESTION: Do you think funding almost half of the bombers in one fiscal year contributed to the operational problems which have been discussed here and recently in the press?

ANSWER: No, aircraft buy schedules and their associated funding requests did not contribute to the delays that we have experienced in the development program. In 1980, Congress mandated that the Air Force deploy a multirole bomber with an Initial Operational Capability (IOC) not later than 1987. The Air Force selected the B-1B and structured an acquisition strategy that met the IOC mandate at the lowest cost. The result was a manufacturing plan that quickly built to a production rate of 4 aircraft per month. Recent development delays such as fuel leaks, are the typical challenges of initial deployment and are not directly related to the B-1B's acquisition strategy.

QUESTIONS SUBMITTED BY SENATOR BYRD

BUDGETARY IMPLICATIONS OF B-1B'S OPERATIONAL PROBLEMS

QUESTION: The Air Force has taken delivery of about 30 aircraft (of which only one is reportedly fully operational) in the B-1B strategic bomber program, officially estimated to cost $20.5 billion (FY 81 $) for 100 aircraft, which are already under contract. Some $600 million is included in the budget request to conduct additional flight tests, to fix defective parts -- including fuel tanks - and to correct major problems in the B-1B's electronic jamming equipment. The Administration has decided to limit production of the B-1B to 100 aircraft, while developing as a follow-on to the B-1B a new type of aircraft that is supposed to be less detectable by enemy radar, known as the "Stealth" Advanced Technology Bomber (ATB). The Air Force plans to buy 132 ATBs, which are expected to enter service in the early 1990s. Very little is publicly known about the ATB program, which has remained highly classified despite attempts to gain access to information about it. Secretary of Defense Weinberger was directed by Congress to present a detailed accounting of the cost of the ATB program in early 1987.

What are the probable budgetary implications of current Air Force efforts to correct the B-1B's operational problems and avionics deficiencies?

ANSWER: The current FY 1988/1989 B-1B RDT&E request includes $595 million to complete development of the baseline system. If this request is fully honored, the program will be funded at $20.2B (FY 81), well within the certified cost.

CINCSAC RESPONSE TO B-1B CRITICISMS

QUESTION: How would you respond to the very specific criticism recently made about the B-1B's inadequacies (Washington Post, Jan 4, 1987): That the aircraft is overweight, underpowered, unstable, has insufficient unrefueled range and inadequate maneuverability for its declared primary mission; and that these shortcomings are impossible to fix at any reasonable cost? Also deficiencies in diagnostic set; fuel leaks; avionics jamming; terrain following radar; defensive avionics; and stability and stalling; and the cost to fix these.

ANSWER: The B-1B is the best strategic bomber in the world today. It's fulfilling its assigned mission now and will be an even better warplane tomorrow. As with all major weapon systems, the B-1B has experienced some growing pains. Unfortunately, some members of the press have misrepresented the facts about this warplane. The facts follow:

The B-1B is not overweight. We added 8,000 pounds to the basic aircraft structure, primarily in stronger landing gear, the main wing spar, and under-belly. These structural enhancements increase the B-1B's gross weight capability by 82,000 pounds over the B-1A. This enables the B-1B to carry an additional 50,000 pounds in payload (external cruise missile carriage) and 24,000 pounds in fuel--and translates into greatly increased combat capability for each B-1B.

A comparison with other heavy bomber aircraft indicates that the B-1B is not underpowered. All Strategic Air Command heavy bomber aircraft possess a 1-to-4 thrust-to-weight ratio--this includes both models of the B-52 and the B-1. Thrust-to-weight is only one part of a performance analysis. Considering aerodynamics, the B-1B is a more efficient airframe design than the B-52, particularly in the high-speed, low-level regime which is its primary design point. In fact, the B-1B can break the sound barrier at high altitude and penetrate low at high subsonic speeds. The B-52 cannot do this. Comparisons such as thrust-to-weight ratios, high-G maneuverability, wing loading, etc., are critical when considering fighter aircraft, but less so for bombers. The bomber's worth is in its payload, range, penetration speed/altitude, weapons delivery accuracy and radar cross section--and in these areas the B-1B is clearly superior.

Stability is not a problem with the B-1B. It flies very well today. All aircraft have stated flight envelopes that define respective aerodynamic limits to insure safe operation. The B-1B is highly stable when operated within its flight envelope. Modifications to flight control systems such as the Stall Inhibitor System (SIS) and Stability Enhancement Function (SEF) increase safety margins and enable the aircraft to achieve full gross weight potential. In addition, the increased safety margin will preserve the fleet throughout its operational life.

The assertion that the B-1B has insufficient unrefueled range is not true. The B-1B is effectively employed in the Single Integrated Operational Plan (SIOP). The B-1B fuel consumption rate is slightly higher than the B-52 rate at high altitude cruise. During low altitude penetration, the fuel consumption rates are about the same, but the B-1B is more efficient due to its higher speed. Both the B-1B and B-52 require air refueling to perform their respective wartime missions.

Regarding the charge of inadequate maneuverability, the B-1B is much more maneuverable than the B-52. At low level, it can turn 60 degrees of bank and weave around mountains. It is also capable of exceptional rates of climb. From a pilot's standpoint, the B-1B has greater acceleration, lighter control force, faster roll rates, and more accurate pitch response than the B-52. Charges that the B-1B lacks maneuverability are just plain wrong.

Asserting "that these shortcomings are impossible to fix at any reasonable cost" is also wrong. It is an excellent aerodynamic design to meet the operational requirement. The Air Force is confident that the baseline program costs will remain within the certified $20.5B.

The diagnostic set referred to is the Central Integrated Test System (CITS). The CITS is the primary source of maintenance support for the B-1B. It possesses 11,000 maintenance codes and tests 20,000 points on the aircraft. Support equipment normally purchased with a large weapon system was not purchased with the B-1B because CITS monitors component performance in flight and tests components on the ground. The system does work; however, it is still in the maturation process. Specifically, the false alarm rate is higher than our goal, but steadily coming down. The rate is predicted to be reduced significantly during 1987. We are satisfied with contractor urgency and commitment associated with this maturation process.

Fuel leaks are no longer a significant problem. We have worked this area hard too. Subcontractors have significantly increased their quality control efforts. Rockwell International has a dedicated, effective fuel leak repair team at Dyess Air Force Base and will soon establish a team at Ellsworth Air Force Base.

Offensive and defensive avionics systems do not jam each other. In April 1983, predicated on experience that offensive and defensive avionics system performance could be degraded during simultaneous use, contractors were directed to include a Radio Frequency Signal Management System (RFSMS) in the B-1B. This system has recently been tested at Edwards Air Force Base and initial results were outstanding. Final data reduction analysis results are scheduled to be available in March 1987.

The B-1B's terrain following radar system works and the capability has been released to Strategic Air Command for routine training. Testing at Edwards Air Force Base continues in order to fulfill all test plan requirements. When the plan is completed, SAC aircrews will utilize minimum altitude settings consistent with Federal Aviation Administration regulations.

A well conceived program is underway to mature the B-1B's defensive avionics. Despite an immature defensive system, the B-1B wartime mission is viable. Defensive avionics are only one part of the B-1B penetration equation--one must also consider the low radar cross section, high speed and terrain following capabilities. At this point in the program, more was expected from the defensive avionics, but the current maturation plan is sound and we continue to receive improved capability.

We believe that all appropriate development and acquisition costs are included in the $20.5B (FY81) certified cost. Further discussion associated with certified costs should be directed to Air Force Systems Command which is responsible for program management.

USE OF STRATEGIC BOMBERS IN NUCLEAR CONFLICT

QUESTION: How would strategic bombers such as the B-1B, the ATB, and older FB-111s be used in a nuclear conflict now that we are bringing into service land-based, sea-based and air-launched systems that have good hard-target kill capabilities? Is the role envisaged for strategic bombers in nuclear conflict a realistic one?

ANSWER: Yes, strategic bombers are needed now and in the future to help deter and, if needed, to be used in a nuclear conflict. Bombers complicate Soviet planner problems and with other legs of the TRIAD provide for synergism of stability and combat power. The target base is large and growing in numbers as well as in hardness and mobility. [Deleted] [deleted] and the high confidence bomber combat capability is needed now and in the future. [Deleted]

[deleted.] Moreover, a manned system provides a degree of flexibility that national leadership will look to in time of crisis.

B-1B NON-NUCLEAR MISSIONS

QUESTION: What non-nuclear missions could the B-1B perform in a conventional conflict? How do the B-1B and the ATB compare in conventional and anti-ship capabilities? What other aircraft, if any, could perform such conventional missions at less cost?

ANSWER: The B-1B is projected to have the largest conventional payload of the current bomber fleet with a carriage capability of 84 MK-82 bombs or MK-36 destructor mines. This capability will allow the B-1 to effectively carry out deep missions in a land attack role or maritime role in support of conventional operations. The range of the B-1 combined with a low radar cross section enhances its ability to perform such missions. Regarding the ATB, specific ordinance and capabilities of the ATB remain in a special access program. However, the ATB's characteristics will make it an outstanding SIOP penetrator and add a new dimension to conventional flexibility. For today's case, the non-ALCM modified B-52Gs represent the backbone of SAC's conventional bomber force. These non-ALCM B-52s carry a full array of gravity bombs and mines, as well as the HARPOON anti-ship missile. This gives them a superb capability for land attack and maritime missions, and it is our best weapon system for direct attack of surface ships. Further, the ALCM B-52Gs possess a tremendous latent conventional capability for both land and maritime missions. As these aircraft are replaced in the SIOP standoff role by the B-1B, they need to be dedicated to the conventional mission and not removed from the inventory.

ESTIMATES OF DEVELOPMENT AND PRODUCTION OF ATB

QUESTION: What are the best current estimates of the development and production costs of ATB aircraft, assuming a 132-plane program?

ANSWER: As previously released by Secretary Aldridge, the total estimated cost for R&D and procurement of 132 ATB aircraft is $36.6 billion in FY 81$. The detailed costs associated with the ATB program are specifically controlled under special access procedures. Procedures have been established to provide this information through the committee staff.

FUNDING THE UNPROVEN ATB

QUESTION: In the B-1B vs. Stealth debate, B-1B proponents called this bomber a "proven system." If this "proven" aircraft has as many operational defects as alleged, why should the Congress continue funding the definitely unproven ATB? ATB critics have described many possible problems which have not been refuted by the Air Force. Please discuss the ATB's potential problems of range, payload, and detectability.

ANSWER: The ATB development program is progressing satisfactorily at the fastest prudent pace to provide an initial operational capability in the early 1990s. Although the program is not completely free of risk the program continues to satisfactorily meet all design objectives. Specifics regarding the aircraft's range, payload, and detectability are specifically controlled under special access procedures. Procedures have been established to provide this information through the committee staff.

FINAL ACTUAL COST OF THE B-1B

QUESTION: To what extent was the certified $20.5 billion cost figure the result of shifting B-1B funds into other lines of the budget? What will be the final actual cost (not just the procurement cost) of the B-1B program? Include figures from all relevant funding elements, wherever they happen to occur in the budget, for all acquisition and all testing, including follow-on testing. What will be the operating costs of the B-1B? What will be the total of costs related to, but not unique to, the B-1B program, such as those for the common strategic rotary launcher; and costs associated with fully equipping the B-1B, including all components, avionics, hardware, and software?

ANSWER: No part of the $20.5 billion (FY 81 $) funding for B-1B has been shifted into other lines of the budget. In January 1982, the President certified the program as achievable within a total cost of $20.5 billion (1981 constant dollars) if Congress fully supported Administration budget requests. This estimate includes all development, testing and acquisition costs. In January 1982, the $20.5 billion figure equated to $29.5 billion in then-year dollars. The program is currently at $27.3 billion, including the $600 million RDT&E request in FY 1988/1989 to complete development. The B-1B will complete development and demonstrate its full capability within the original certification. The mature system flying hour cost of operating the B-1B is $7,744 per flying hour in FY 1986 dollars. All costs related to the Common Strategic Rotary Launcher on the B-1B--development, testing, integration and software--are included in the $20.5 billion (FY 81 $). The one exception is the conversion kit hardware which is deferred at this point in accordance with Congressional language in the FY 1985 Appropriations Act. B-1B weapon system trainers have never been part of the $20.5 billion (FY 81 $) certified B-1B costs, but are funded as a separate line item.

RESPONSE TO GAO COMMENTS

QUESTION: The General Accounting Office has, through the years, made a number of observations on the B-1B program, including the following: "The B-1B program cost estimate...omits known program costs...the cost omissions obscure congressional visibility of the B-1B acquisition." "The Air Force has not yet demonstrated that the B-1B program meets the procurement criteria...set out in public law 97-86 and an OSD policy memorandum" for multiyear procurement, including the requirement that the item be stable in design and have completed RDT&E. How did you respond to the GAO's comments at the time they were made; in light of subsequent revelations, how would you respond to them now?: (Washington Post, Jan 7, 1987: "Defense officials blame many of the program's problems on the decision to begin producing the aircraft at the same time that research and development efforts were under way, forcing engineers to experiment with some systems before they were completely developed.")

ANSWER: The Air Force has been consistent and clear on the content of the $20.5 billion (FY 1981) program. The December 1981 Selected Acquisition Report (SAR) explicitly spells out the B-1B's program content. The December 1986 SAR reports the program's cost, schedule and technical status against that baseline which has not changed. In soliciting Congressional approval of multiyear procurement, the Air Force argued that almost 2000 flight hours and $6 billion (FY 81) in RDT&E effort on the B-1A program indicated a sufficiently mature design that met the stability criterion for multiyear consideration. Congress prudently approved multiyear procurement for the B-1B. In 1985, the Air Force validated multiyear savings of almost $1.2 billion to the Congress. "Subsequent revelations" have not altered these earlier judgements. Multiyear procurement was the correct contracting approach for the B-1B program, avoiding substantial and unnecessary costs.

FUTURE PLANS FOR "STEALTH" AIRCRAFT

QUESTION: Are there any plans for "stealth" aircraft to complement and eventually to replace the Air Force's F-111 long-range bomber? What is the status of the stealth-type fighter plane, which has been reported in the aviation press?

ANSWER: All Air Force efforts in stealth technology are classified and specially controlled under special access procedures. Procedures have been established to provide this information through the committee staff.

MIDGETMAN DEPLOYMENT

QUESTION: On December 19, 1986, President Reagan decided to begin full-scale development of two systems: (1) A single-warhead mobile "midgetman" small ICBM; and (2) a rail-garrison basing mode for MX, in which MX missiles would be based on special trains on military bases and dispersed over the U.S. rail network in crises. MX and Midgetman are "counterforce" missiles, having the combination of accuracy and yield needed to destroy ICBM silos and other targets hardened against nuclear weapon effects. The Midgetman decision follows nearly four years of debate on whether we should proceed with the missile, how large it should be, how many warheads it should carry, and how it should be based. The MX decision responds to language in the FY86 defense authorization act providing that no more MXs beyond the 50 authorized for deployment shall be deployed in existing Minuteman silos. It requests FY88 funds for the basing mode only. The Administration will not, during its term, request funds to deploy more MXs, leaving that decision to its successor.

Do the President's decisions of December 1986 mean that we will deploy Midgetman? Do they foreclose the option to deploy a MIRVED Midgetman in the early 1990s, or to deploy MX in superhard silos?

ANSWER: The decision to deploy the Midgetman has not been made, but rather would follow after the results of full-scale engineering development are known.

The President's decisions do not totally rule out a MIRVed Small ICBM or MX (Peacekeeper) in superhard silos at a future date, but these options would now require redirection of our efforts and would entail additional development time and program costs.

R&D ON RAIL GARRISON MX

QUESTION: The administration is requesting $593 million for R&D on Rail Garrison MX (RGMX) for FY88; for FY89, the request is $1.248 billion for R&D and $45 million for military construction. Yet this Administration will not request funds to deploy RGMX, but will leave the deployment decision to the next Administration. The prospects for ultimate deployment of RGMX seem dim for several reasons. Many in Congress have opposed MX, and most Members would probably like to close the book on MX. The deficit requires savings wherever possible, and between Minuteman, Midgetman, silo-based MX, B-52, B-1, Stealth Bomber, Poseidon, and Trident, we may have enough strategic offensive forces without another 50 MX. RGMX will make every city with a rail line into a counterforce target, and the trains could be vulnerable to sabotage by Soviet Special Operations Forces. There is no certainty that the next Administration will request deployment of RGMX; even if it does, the odds are that Congress will not fund it. Why not, then, save nearly $2 billion just over the next two years by stopping R&D on Rail Garrison MX?

ANSWER: In the FY86 Authorization Act, Congress capped Peacekeeper deployment at 50 until a more survivable basing mode was approved. The Air Force is developing the Rail Garrison mode for Peacekeeper to address Congressional concerns. The fact is that Peacekeeper is the keystone of affordable deterrence. We have long maintained the military need for 100 Peacekeepers to hold at risk the most challenging Soviet hardened targets. That need has not diminished as the Soviets continue to improve their forces unabated. Rail Garrison basing for Peacekeeper not only increases our deterrent ability, it also increases our force survivability. The trains can quickly move out to the entire rail network. Once dispersed they are essentially unattackable, by nuclear, conventional or special operations forces. Clearly, the rail garrison development is consistent with Congressional direction and should continue over the next two years.

COUNTERFORCE ICBM WARHEADS

QUESTIONS: The Joint Chiefs of Staff have a requirement for (deleted) counterforce ICBM warheads. Where did the requirement come from? Why does it count (deleted).

(Deleted) why not have all warheads on MXs and none on MIDGETMAN, saving billions? If it's destabilizing to launch MX on warning, why have any silo-based MXs? Why does requirement (deleted).

ANSWER: The Soviet target base drives the oberall requirements for prompt, high quality ICBM counterforce warheads. The JCS have not endorsed a requirement for (deleted) prompt modernized warheads. The JCS have endorsed a requirement for a full deployment of 100 Peacekeepers, inconjunction with other strategic force modernization programs.

LAND-BASED LEG OF THE TRIAD AND TRIDENT SUBMARINES

QUESTION: The Navy estimated the life-cycle cost per TRIDENT II-Armed TRIDENT Submarine to be $5.4 billion FY83 dollars for acquisition plus 30 years' operation. [Deleted]

[deleted.] What's more, the at-sea TRIDENTS would be highly survivable, while some MIDGETMEN would presumably be destroyed in an attack. TRIDENT thus appears much cheaper than MIDGETMAN on a cost per survivable warhead per year basis. Why not retain MINUTEMAN and 50 or 100 MX as the land-based leg of the Triad, cancel MIDGETMAN, and deploy more TRIDENT submarines if we need additional counterforce capability?

ANSWER: Operationally, the TRIDENT II Missile and Small ICBM provide different beneficial characteristics. To replicate the unique attributes of SICBM's day-to-day high alert rate, capability to hold at risk/range all targets, and unique single weapon application would require in simple accounting far more than the (d) indicated boats. Conversely matching the overall firepower of the TRIDENT D-5 inventory in the outyears with SICBM would be prohibitive. To maintain (d) surviving, on station, total target set rangeable weapons would require supporting (d) operational boats in forward patrol areas. Supporting these would be in-transit assets, in-port assets, and overhaul dry-dock assets. 100 PEACEKEEPERS, 500 SICBMs, and the programmed number of TRIDENT boats represent the operationally prudent approach to additional counterforce capability.

QUESTIONS SUBMITTED BY SENATOR LEAHY

B-1B DESIGN PROBLEMS

QUESTION: What does the Air Force believe to be the main problems with the B-1B as currently designed? Why was it not possible to anticipate these problems in an aircraft that was designed in the early 1970s? Why has the Air Force been surprised by these problems at this late date?

ANSWER: The main "problem" with the B-1B is that its ECM system requires additional development effort.

A prototype of this system was tested between 1978 and 1981 and the design concept was demonstrated. However, developing and producing the fully automatic, integrated, state-of-the-art system on the required schedule turned out to be a greater challenge than we expected. In 1983, the production design was undergoing laboratory testing with very good results. In 1985 and 1986, when the system was installed on test aircraft and subjected to rigorous flight tests, the laboratory results were not repeated as numerous technical problems were encountered. Although many of these have been solved, additional development and test effort is required.

COST ESTIMATE OF DESIGN FIXES

QUESTION: What is your estimate of the appropriations you will need to overcome these deficiencies, and when will they be fixed?

ANSWER: We believe the $595 million requested in FY 1988 and 1989 will complete development of the baseline system over the next two years.

B-1B PENETRATION OF SOVIET AIR DEFENSES

QUESTION: In your professional judgment, can the B-1B, 10 of which are now operational, penetrate current and projected near-term Soviet air defenses and survive? Or will these planes go off on one way missions? When do you think they will be able to do the jobs for which they are designed, if ever?

ANSWER: The B-1B is a better penetrator today than the B-52. As of 1 March 1987, SAC had 29 operational B-1Bs. Each is capable of employment in the SIOP and has a critical mission assigned. The B-1's best penetration features (low radar cross section, high speed and low altitude) are used in planning SIOP missions. The current B-1B is capable of penetrating the anticipated Soviet air defenses along its route of flight, and accomplishing its assigned mission. Crew survival is an integral part of every sortie planned by SAC.

DEPLOYMENT OF MIRVED SOVIET ICBMS

QUESTION: Public reports by the Defense Department and other groups indicate that the Soviets might begin deploying their new 10 warhead SS-24 this year. Would you prefer that when they begin deploying it, they at the same time reduce some other MIRVed ICBMs, such as the SS-17s or SS-19s? Or does it make any difference to your job as CINCSAC how many MIRVed ICBMs they have deployed?

ANSWER: Yes, it makes a difference. That is why I support the US arms control negotiating position in Geneva. To achieve an equitable balance in ICBM warheads, especially on high MIRVed ICBMs, is desirable. The US must continue to base decisions affecting its strategic forces on the nature and magnitude of the threat posed by Soviet strategic forces. Our strong commitment to the strategic modernization program sends a resolute message to the Soviets that we will restore the strategic military balance essential for stability.

SALT SUBCEILINGS

QUESTION: If the SALT subceilings for 1320, 1200 and 820 were to be observed by both sides over the next year, [deleted] or would it not matter to you as CINCSAC?

ANSWER: Decisions pertaining to arms control compliance, such as whether or not to continue to comply with the SALT II Agreement, are the responsibility of the Administration. The JCS provides the military's input into the decision-making process. As CINCSAC, a combat commander, my charter is to achieve the state of combat capability with the forces available and when asked by the JCS, provide SAC's perspective on pertinent arms control issues. Once the decision is made I carry that policy out. With that in mind, the Administration's current guidance states the US will not deploy more strategic nuclear delivery vehicles than does the Soviet Union. Furthermore, the US will not deploy more strategic ballistic missile warheads than does the Soviet Union. I agree with and fully support that policy.

DISMANTLING OLD POSEIDON SLBM LAUNCHERS

QUESTION: If we were confident the Soviets were within the 1320, 1200 and 820 ceilings--and we are--do you think it would serve US security to prevent them from building beyond those levels if we could [deleted].

ANSWER: As I explained in your previous arms control question regarding SALT II strategic nuclear delivery vehicle subceilings, JCS provided the military's assessment for the decision-making process. I fully support their assessment and the President's SALT II policy.

VULNERABILITY OF M-X RAIL-BASED MISSILES

QUESTION: How vulnerable to barrage attack would the M-X rail-based missiles be if they were hit by a Soviet surprise attack before they could disperse? How much strategic warning will you need to have time for the rail-based M-X's to disperse far enough to be safe?

ANSWER: It makes no sense for the Soviets to execute a surprise attack against Rail Garrison because the costs would out weigh any potential gains and they would not be able to achieve their war aims. For the Soviets to launch a surprise attack, they must successfully attack the entire U.S. TRIAD without having generated their own forces. Day-to-day, the Soviets know they can't destroy strip-alert bombers and at-sea SLBM submarines, nor can they count on striking ICBMs before they could execute a prompt retaliatory launch. The Soviets realize the risks inherent in this scenario. Intelligence assessments agree that due to the combined strengths of our strategic TRIAD, such an attack by the Soviets is extremely unlikely. To fight a war, the Soviets would have to prepare. Our intelligence would detect this and provide strategic warning.

Within [deleted] the rail-based missiles can disperse to an area which the entire Soviet SS-18 arsenal could not successfully barrage. Since the Soviets know that some or all of the missiles can quickly disperse and the rest of the Triad can promptly respond, they can never be sure of a successful attack. This greatly increases deterrence.

IMPLICATIONS OF DISPERSING RAIL-BASED MX

QUESTION: Have you thought through the implications for crisis stability of the President ordering 50 of our most deadly missiles to disperse during a crisis situation with the Soviet Union? How would you expect the Soviet military to act if it saw US ICBMs dispersing to the US rail network during a crisis? Might it not conclude that the US had decided nuclear war was probable? Isn't Soviet doctrine to preempt if it believes nuclear war is imminent? Wouldn't dispersal of the rail-based MX be likely to convince the Soviets war was imminent and to cause them to preempt by launching their ICBMs that would otherwise be vulnerable to an MX strike?

ANSWER: Peacekeeper has the capability to hold at risk the most threatening Soviet resources. The action of dispersing is not, in itself, provocative; it is, in fact, a stabilizing move. Peacekeeper mobility provides the National Command Authorities with the flexibility to respond to increasing tensions with non-hostile options. Moving Peacekeeper out of garrison for improved survivability in a crisis situation will act to deter the Soviets from considering an attack. The Soviets realize that this capability adds to stability. Moreover, the Soviet leadership recognizes they could not destroy any substantial part of the US ICBM force before the NCA could employ that force. Because dispersal would clearly complicate Soviet attack planning, this action, much like dispersal of bombers and SSBNs, would serve to reduce the Soviet incentives to attack. We would anticipate similar actions from the Soviets in time of tension, not because they undoubtedly expected a nuclear conflict, but rather because they would want to complicate any US retaliation. Soviet doctrine to preempt if war is believed imminent is not so much the point as the Soviet insistence that war -- nuclear or conventional -- not be initiated without some confidence they could achieve their war aims. Dispersal of US forces -- TRIAD forces -- clearly reduces their confidence and greatly increases the likelihood they would not attack.

SECURITY OF RAIL-BASED MX MISSILES

QUESTION: What about the security of rail-based MX missiles once they are on the civilian network. These missiles are over 70 feet long and weigh nearly 200,000 pounds. A bullet through one of them might hit some vital part, or a loosened rail might cause a derailment. How can you provide security for a nationwide dispersal that might last for several days through a prolonged crisis?

ANSWER: The missiles will be parked (garrisoned) on secure military bases on a day-to-day basis. Once dispersed, during times of national need, the trains will carry an on-board Air Force security force. Appropriate security devices will be incorporated into the rail car design to minimize threats from terrorists.

PUBLIC REACTION TO RAIL BASING

QUESTION: How will you deal with what the Defense Department used to call the "public interface problem", back during the days when it was the Pentagon which strongly dismissed rail basing as a practical alternative? How do you think the American public will react to the idea of M-X missiles on rail cars pulling into their towns and cities, making them potential targets in a nuclear war?

ANSWER: We were concerned with the day-to-day, month-to-month public impact of constantly mobile systems. Rail Garrison solves that by garrisoning (parking) the missiles on secure military bases and only leaving those bases in times of national need to stabilize a crisis or increase survivability. There will be no day-to-day public interface.

ADMINISTRATION RESERVATIONS ABOUT MIDGETMAN

QUESTION: Why does the Pentagon and the Administration continue to have reservations about Midgetman? I know the President has decided to begin full scale engineering on Midgetman, but anyone at all familiar with the issue knows the Administration strongly prefers MX and basically has swallowed Midgetman at the insistence of Congress. Can you explain why, given the Scowcroft Commission's endorsement of Midgetman, and the strong support it enjoys in Congress?

ANSWER: Perhaps an historical perspective might put this issue in a better context. As you point out, the Scowcroft Commission recommended the national ICBM Modernization Program consist of the Peacekeeper and the Small ICBM. The Scowcroft Commission, however, did not "invent" the small, single RV ICBM. SAC considered the utility of such a system long before the Scowcroft Commission embraced it. SAC recognized the inherent flexibility of a Small ICBM, but, like the Scowcroft Commission, realized there was a greater deficiency in hard target capability that could be met most cost-effectively and more quickly by a near term, highly capable, MIRV -- the Peacekeeper. This recognition was shared by the Scowcroft Commission and the Administration followed the Commission's recommendations, pressing forward with a comprehensive ICBM modernization program to first deploy 100 Peacekeepers, then field a Small ICBM. Neither the Administration, nor the "Pentagon," has backed away from that commitment and, in fact, it is funded at a level to ensure its IOC in 1992, as the Congress desired. It is unfair to equate Administration and DoD discussions over funding levels -- which recognize that a mobile, single-RV ICBM naturally will be more expensive -- with a lack of support for the Small ICBM. Indeed, such internal debates are the hallmark of responsible defense planning. But the truth is that after those discussions, the Administration continues to fund the Small ICBM at quite adequate levels. To imply otherwise just ignores fiscal reality.

MIDGETMAN/MX COMPARISON

QUESTION: In your professional opinion, which missile -- Midgetman or MX -- best meets the criteria for crisis stability: survivability, lower incentive to preemption by the other side, second strike rather than first strike characteristics? If Midgetman best meets these characteristics, what is your argument for deploying any MX at all?

ANSWER: The rationale for Peacekeeper recognizes those very points you raise. Stability is not a concept which only develops during periods of tension or crises. It is a basic thread in our deterrent fabric and requires the means to ensure the Soviets are highly uncertain of their ability to achieve their war aims by attacking the United States or our allies, while certain that such an attack would result in a US retaliation, costs of which would far outweigh any conceivable gains. Peacekeeper -- in silos or in Rail Garrison -- offers a near-term capability which contributes greatly to deterrence and to stability. One of the more telling quotes from the Scowcroft Report crystallizes this idea very well: "The overall perception of strategic imbalance caused by the Soviet's ability to destroy hardened land-based targets -- with more than 600 newly deployed SS-18 and SS-19 ICBMs -- while the US is clearly not able to do so with its existing ballistic missile force, has reasonably been regarded as destabilizing and as a weakness in the overall fabric of deterrence." The Peacekeeper, in silos and in Rail Garrison, offers the quickest, least costly way to redress this instability in the near term, by providing capability and improved survivability. The Small ICBM further strengthens our deterrent capabilities and enhances this stabilizing force by complicating Soviet attack planning even more, and providing enduring flexibility. It isn't that one "best meets these characteristics" of stability and deterrence, rather it is that both offer unique capabilities which reduce Soviet incentives to initiate a nuclear conflict and that is not only stabilizing, it is one of our key goals.

QUESTIONS SUBMITTED BY SENATOR HOLLINGS

SURVIVABILITY RATE OF A SILO-BASED M-X FORCE

QUESTION: The Townes and the Scowcroft Panels each suggested silo-basing with increased survivability resulting from follow-on ballistic missile defense (BMD) efforts when defensive capabilities were improved. The SDI project has led to many significant breakthroughs in the BMD area. How would the survivability rate of a silo-based M-X force -- deployed in hardened silos with projected hardness capability and defended by a terminal defense BMD system with the highly promising endo/exo-atmospheric capability available in the 1993-1995 timeframe -- compare to the survivability rates of the projected M-X silo force and the rail-mobile option? To the projected Midgetman force?

ANSWER: The Midgetman and Rail Garrison forces rely on mobility for survivability, not defense. Application of active defenses would proportionally increase survivability of fixed systems more than mobile systems. None of our existing or planned ICBM systems require active defense but all would benefit, some more than others, from such a defense.

COSTS OF DEFENDED M-X FORCE

QUESTION: What are the costs to obtain such a defended force of 50 missiles? Of 100 missiles?

ANSWER: We are not seeking defended capability for our ICBM force; consequently we have not prepared an official position for these costs.

COSTS PER SURVIVABLE WARHEAD

QUESTION: What are the costs per survivable warhead of a BMD defended, silo-based M-X force? Of a non-defended M-X in silos -- and in the rail-mobile option? Of the Midgetman missile?

ANSWER: Survivability for the Rail Garrison and Midgetman systems is not dependent on Ballistic Missile Defense (BMD). BMD is not required because of the mobility characteristics of the two systems. Survivability is a function of mobility, not defense. Consequently, we have not prepared an official position on these costs.

TECHNICAL, POLITICAL, AND COST CHANGES

QUESTION: In the early 1960's the Ballistic Systems Division of the Air Force Systems Command extensively studied the rail-mobile basing option for the Mobile, Medium-Range Ballistic Missile (MMRBM) program. The option was not considered practical and the idea dropped.

In 1980, two rail-mobile options were among 30 basing alternatives studied by the Air Force before the Multiple Protection Shelter (MPS) option was selected for the MX. Cost, security problems, public interface, and survivability were cited as negative features of a rail-mobile basing mode.

In 1981, the Townes panel studied 10 basing options before recommending MX in the "dense-pack" basing mode. The Townes panel did not even view rail-mobile as worthy of consideration. As a matter of fact, the Panel´s report stated that it found no practical basing mode for missiles deployed on the land´s surface, available at that time, that assured an adequate number of surviving ICBM warheads.

In 1983, the Scowcroft Commission again studied MX deployment and considered nine potential basing modes. A rail-mobile option was not even included in the nine options. Based on the rejection of rail-mobile options during the formulation of our modern ICBM technology and the focus on survivability what technical, political, and cost changes have occurred to now make it a preferred MX basing option?

ANSWER: There is a considerable difference between the options examined under the studies you identified, and rail garrison. The former were continuously mobile, while the latter deploys in a time of national crisis. As a result, rail garrison does not have either public interface problems nor the cost of a constantly mobile system because it is parked (garrisoned) on military bases until times of national need. Since the trains are not constantly mobile, the rail garrison system is less expensive to acquire and operate. Rail Garrison has the most flexibility for increased survivability and stability while being affordable.

TOTALLY MOBILE MX SYSTEMS

QUESTION: Presumably, rail-mobile basing is being sought for the next 50 deployed MX missiles because it offers increased survivability over silo-based missiles. Why not stop the silo-based effort now and make MX a totally mobile system?

ANSWER: We can complete the basing of 50 Peacekeepers in Minuteman silos essentially with money already appropriated. This will increase our deterrence capability while we are developing the rail garrison mode. This is the most cost effective and military useful approach.

PROJECTED SURVIVABILITY RATES

QUESTION: What are the projected survivability rates of each basing mode?

ANSWER: Peacekeeper in Rail Garrison is essentially unattackable when dispersed onto the rail network. As such, it is extremely survivable. Peacekeeper in Minuteman silos complicates the Soviet targeteers problem by forcing him to allocate his resources to try to attack the unattackable (Peacekeeper in Rail Garrison and Small Missile) while covering the Minuteman, Peacekeeper in Minuteman silo, bomber and submarine forces. Each leg of the Triad, and each portion of the land based ICBM leg of the Triad, reinforce each other for increased deterrence.

PROJECTED MX COSTS

QUESTION: What are the costs for the projected 50 rail-mobile missiles versus the 50 silo-based missiles? Please describe both the acquisition and 15-year operating costs?

ANSWER:

	RAIL GARRISON FY84$	MINUTEMAN SILOS FY84$
Acquisition	$8-10 billion	$17-18 billion
Life Cycle	$11-13 billion	$19.4 billion

MX DEPLOYMENT

QUESTION: How many MX missiles have been deployed in renovated Minuteman silos to date? How many by the end of the fiscal year? What are the costs to stop work on silo-basing at the end of this fiscal year and to an all rail-mobile basing plan for the remaining missiles up to the 100 missile limit? What are the costs if all 100 were rail-mobile deployed?

ANSWER: As of 24 Feb 87, 14 Peacekeeper missiles have been deployed in Minuteman silos. By 1 Oct 87, 28 should be deployed. We have not completed our detailed independent cost analysis for Rail Garrison, so we cannot answer how much it would cost to deploy 100 missiles in Rail Garrison.

PROJECTED COSTS FOR MIDGETMAN FORCE

QUESTION: What are the currently projected costs for the 500 missile Midgetman force? Please describe both the acquisition and 15-year operating costs?

ANSWER: Cost projections for a 500 missile Midgetman (Small ICBM) force depend, in part, on the final number of deployment bases, concept of operations, and their respective locations. Current estimate to acquire a 500 missile force is $32-$34 billion. Small ICBM system life cycle requirements specify a 20-year period, with the operating costs estimated at $7-$8 billion.

ACQUISITION COSTS OF MIDGETMAN WARHEADS

QUESTION: How do the acquisition costs of 500 Midgetman warheads compare with 500 MX warheads? With 1000 MX warheads? What are the costs per survivable warhead of the Midgetman compared to those of (a) 50 silo-based MX missiles, (b) 100 silo-based MX missiles, and (c) 50 silo-based and 50 rail-mobile MX missiles?

ANSWER: The acquisition cost for 500 Small ICBMs is $32-34 billion (FY84). The acquisition cost for 50 Peacekeepers in Minuteman silos is $17-18 billion (FY84), while the cost for 100 Peacekeepers in Minuteman silos is $19-20 billion (FY84). The projected acquisition cost for 50 Peacekeepers in Rail Garrison is $8-10 billion (FY84).

Computing the cost per survivable warhead for each of the above is dependent upon a number of assumptions. Without specifying the assumptions to be used, an accurate cost cannot be computed.

6 KEY B-1 PROBLEMS

QUESTION: On November 5, 1981, Defense Secretary Weinberger made the following statement to the Senate Armed Services Committee. "I think there is no question whatever that we will not be able to use the B-1 as the penetrator after 1990 . . . probably 1988 to 1989, you lose the ability to penetrate unless someone wants to direct suicide missions, and that is not anything I am going to do." There are 6 key problems that need to be fixed on the B-1: (1) the terrain-following radar; (2) defensive avionics; (3) avionics; (4) fuel leaks; (5) the diagnostic set; and (6) stability. In view of these problems, Secretary Weinberger's statement is absolutely correct. Does the Air Force maintain that the B-1 can penetrate the Soviet Union today or against the Soviet's defensive capabilities of 1995?

ANSWER: The B-1B, even with the partial capability of its immature defensive avionics, is an effective penetrator against today's threat. As development of this system is completed over the next several years, B-1B penetration effectiveness will increase as the Soviets deploy advanced threat systems. During the 1990's, B-1B penetration effectiveness will necessarily erode as the Soviets continue to field significant numbers of high quality defensive systems. However, into the early to mid-1990s, the B-1B, operating synergistically with the Advanced Technology Bomber, will be a capable penetrator.

MISSION OF THE B-1

QUESTION: If the mission of the B-1 was changed from penetration to a standoff cruise missile platform, what fixes would be necessary in comparison to those envisioned to make it penetration-capable? What would the cost be to make it a reliable standoff platform versus the cost to make it a reliable penetrator?

ANSWER: This hypothetical change in mission roles would ignore the necessity of maintaining a viable air breathing leg of the TRIAD. The B-1B is required as an interim penetrator if we are to hold necessary Soviet targets at risk until the Advanced Technology Bomber is deployed in operationally significant numbers. Nonetheless, this hypothetical and premature change in mission would still require that we complete development of the baseline ECM system. Projected Soviet reaction to the cruise missile threat will still require a robust ECM capability to insure survivability. Even if the B-1 was no longer tasked with the nuclear penetration mission, a robust ECM system would be required to insure its viability as a conventional bombing platform.

PROJECTED B-1 COSTS

QUESTION: The Air Force still cites $20.5 billion as the cost of the B-1. This, of course, uses a 1981 constant dollar figure to hide the real cost of the plane. The internal DOD then-year cost estimate of the B-1 is about $26 billion. The CBO estimate of the B-1 -- which is most objective -- is about $35 billion. Since there is such disparity in the estimates, with the Air Force being the most optimistic, what is the projected range of costs to allow the plane to reach its stated performance objectives?

ANSWER: The Air Force has never attempted to "hide the real cost of the plane." In January 1982, the President certified the program as achievable within a total cost of $20.5 billion (1981 constant dollars) if Congress fully supported Administration budget requests. In January 1982, the $20.5 billion figure equated to $29.5 billion in then-year dollars. The program is currently at $27.3 billion, including the $600 million RDT&E request in FY 1988/1989 to complete development. The B-1B will complete development and demonstrate its full capability within the original certification which represents a major accomplishment.

B-1 PROGRAMMATIC ADJUSTMENT

QUESTION: Assuming the cost to fix the plane must be absorbed within the existing Air Force budget, what programmatic adjustments elsewhere in its budget would the Air Force recommend to accommodate this approach?

ANSWER: The dollars requested are not needed to "fix" the B-1B but to complete its development. Most of the funds requested are required to develop and flight test the ECM system and to expand the flight envelope to the very heavy weights necessary for cruise missile carriage. Without Congressional support of the B-1B RDT&E request, these important efforts will necessarily be delayed at considerable expense. Since these capabilities are an important part of the aircraft's mandated multirole mission, we encourage Congressional support.

Questions Submitted by Senator Stevens

PLAN TO SPEND FUNDS TO FIX B-1B'S PROBLEMS

QUESTION: Does the Air Force plan to spend funds requested in FY 1988 to fix the B-1B's problems, and will these expenditures bail out the avionics manufacturer?

ANSWER: The Fiscal Year 1988/1989 RDT&E request includes $415.5 million for fiscal year 1988. Of this amount, $375.7 million is for continued development of the baseline system. The remaining $39.8 million is budgeted for two enhancements, the Forward Looking Infrared (FLIR) system, and ECM update modifications. The RDT&E funds requested in FY 1988 support continued development and important flight tests and are not needed to bail out the avionics manufacturer.

RETROFIT CHANGES

QUESTION: Recognizing that all 100 of the B-1B bombers on order will be delivered by the end of 1988, what will be the bill Congress will receive to retrofit changes into all 100 B-1B's to reach the baseline capabilities?

ANSWER: The currently approved retrofit budget includes $205.5M (TY$) for the commonality mods. The B-1B commonality funding requirement is currently reflected in the President's Budget and associated Five Year Defense Plan.

NEXT MAJOR B-1B FUNDING DECISION

QUESTION: At what point will Congress make the next major funding decision to sustain this program?

ANSWER: In FY 1986, Congress authorized procurement of the final lot of 48 B-1Bs, completing the 100 aircraft buy. The Fiscal Year 1988/1989 RDT&E request includes $595 million for the continued development of the baseline system. At this time, we do not anticipate that additional RDT&E or procurement funding will be required to complete the baseline program. The B-1B's FY 1988/1989 RDT&E request also included about $207 million to initiate development of two future enhancements: a Forward Looking Infrared (FLIR) modification and an upgrade of the Electronic Countermeasure (ECM) system.

CRUISE MISSILE CARRIER VERSUS B-1B PENETRATOR

QUESTION: Would funds be better spent to convert the B-1B into a cruise missile carrier in the mid-1990's if the ATB comes on schedule, rather than upgrade the penetrating capabilities of the B-1B?

ANSWER: No, the B-1B will be an effective penetrator well into the 1990s. Without upgrades to the baseline ALQ-161 system, B-1B penetration effectiveness will necessarily erode as the Soviets continue to deploy advanced threat systems in the 1990s. However, as the Advanced Technology Bomber (ATB) is deployed in the 1990s, the B-1B will be transitioned to the less demanding shoot-then-penetrate role. The synergism of a mixed force of B-

1Bs and ATBs will stress Soviet defenses well into the 21st century. However, routine updates to the B-1B's ECM system will be required throughout its service life to insure its continued viability as a nuclear and conventional bomber and cruise missile carrier. This move, countermove imperative is a fact of life in the ECM business.

SURVIVABILITY OF THE RAIL GARRISON PLAN

QUESTION: General, can you explain how survivability will be enhanced assuming worst conditions, with the Rail Garrison plan?

ANSWER: The Rail Garrison plan increases survivability by dispersing the missile trains, in times of national need, from their secure garrisons onto many miles of existing railroad track making them very difficult and costly to target. In a few short hours, the trains could be dispersed over such large areas that the Soviets could never be certain of successfully attacking them. The rail garrison plan also has the attribute of providing increased survivability and deterrence as needed, thus serving as a stabilizing element in a crisis situation.

AIR FORCE PRIORITY ACROSS THE RAIL NETWORK

QUESTION: Control of this country's railroad network is not comparable to the FAA's Air Traffic Control System. What assurances do you have that the Air Force will have priority across the rail network in a crisis situation?

ANSWER: Our conversations with the rail industry indicate their support for priority movement of missile trains if required. But we don't necessarily require priority treatment. In many (if not most) cases we would rather blend in with existing rail traffic and maintain a lower profile.

MX DEPLOYMENT AND OTHER RAIL MOBILIZATION REQUIREMENTS

QUESTION: Will MX deployment interfere with other rail mobilization requirements in case of conflict?

ANSWER: No. The MX Rail Garrison would only occupy twenty-five of the thousands of trains that operate every day.

COST VERSUS BENEFIT PERSPECTIVE OF THE RAIL GARRISON PLAN

QUESTION: From a cost versus benefit perspective, how does the Rail Garrison plan compare to the other alternative MX basing programs?

ANSWER: All of the modes studied offered outstanding survivability but rail garrison had the most flexibility and was clearly affordable.

ANNUAL SUSTAINING COST OF MAINTENANCE RAIL ASSETS

QUESTION: What will be the annual sustaining cost of maintaining the rail assets associated with this plan, the manpower required, testing programs, etc.?

ANSWER: The annual operations and support cost should be about $200 million a year. The system will require about 2500 personnel.

COST COMPARISON TO BASING MX MISSILES IN REFURBISHED MINUTEMAN SILOS

QUESTION: How does this cost compare to basing MX missiles in refurbished Minuteman silos?

ANSWER: The Air Force, with Congressional approval, could have completed basing the second 50 missiles (including missiles costs) in Minuteman silos for about $3 billion (FY84).

MX AND THE SMALL ICBM TARGETS

QUESTION: As the SAC Commander, how would you intend to designate targets between the MX and the Small ICBM? Would there be any difference in the nature of the targets selected?

ANSWER: In combination, the PEACEKEEPER and small ICBM weapon systems offer a broad range of capable and flexible employment options for use across the nuclear spectrum. Specific target application for each weapon system is highly dependent on the evolving Soviet threat. As each weapon system becomes operational, [deleted.] A complementary force which includes both PEACEKEEPER and Small ICBM will strengthen deterrence and increase Soviet uncertainty of successfully accomplishing their war aims.

COMMAND AND CONTROL ASPECT OF THE SMALL ICBM BASING PLAN

QUESTION; Are you satisfied with the Command and Control aspect of the Small ICBM basing plan? How would you compare Command and Control of MX units to the plan for the Small ICBM?

ANSWER: We are highly confident of the command and control for the Small ICBM basing plan. The command and control will contribute to the enhanced survivability and endurance of the Small ICBM. The weapon system command and control architecture for the Small ICBM will have high connectivity and endurance due to the redundancy and reliability of the weapon system command control links. Multiple launch control centers under the positive control of the National Command Authority (NCA) will ensure responsive and enduring command of the Small ICBM.

In building the command and control systems for the Small ICBM, we have applied the highly successful polices and procedures learned from nearly three decades of positive control of our ICBM forces. From this perspective, the command and control of Peacekeeper (MX) units and the Small ICBM are very similar, in that both systems provide prompt, reliable and enduring connectivity to the NCA through our strategic command, control, and communications systems.

RETURN ON INVESTMENT FOR SMALL ICBM

QUESTION: Comparing costs for the MX, Trident D-5, and the Small ICBM, how would you describe the return on investment for Small ICBM compared to other strategic programs?

ANSWER: The Air Force is committed to deploying TRIAD systems that support the national policy of deterring general war. These strategic systems must be able to hold at risk the entire spectrum of Soviet warfighting assets. Each program--Peacekeeper (MX), Trident D-5, and the Small ICBM--brings unique qualities that severely complicate Soviet attack planning.

The Air Force is confident that the 37,000 lb SICBM in hard mobile launchers approved for Full Scale Development represents the most cost-effective approach among the attractive SICBM designs considered. Once we are further along the Full Scale Development program for the small missile and have determined the number required, we will have the necessary figures to calculate its "return on investment" in terms of more survivable, prompt hard target weapons.

500 SINGLE WARHEADS COMPARED TO 250 TWO-WARHEAD MISSILES

QUESTION: What advantages do 500 single warheads provide compared to 250 two-warhead missiles? In your mind, do these benefits justify the added cost of the single warhead system?

ANSWER: While 500 single warhead missiles will cost about 12% more than 250 two-warhead missiles, the increased cost is offset by single warhead SICBM flexibility, mobility, and availability. The single warhead Small ICBM complements other ICBM forces by enhancing employment flexibility throughout the conflict spectrum. However, they will primarily attack targets that are widely separated in time of appearance or location--targets that cannot be efficiently struck by a MIRVed system. The 37,000 pound missile and associated hard mobile launcher (HML) also provide greater mobility and deployment flexibility. Finally, the 37,000 pound missile will be available fully two years earlier (1992) than the larger two-warhead missile (1994). Considering all factors, the single warhead design is the right choice.

QUESTIONS SUBMITTED BY SENATOR KASTEN

CINCSAC CONCURRENCE

QUESTION: General Chain, over the past three weeks, the Senate has received testimony from you, Admiral Crowe and the Joint Chiefs regarding our National Military Strategy. During these hearings Admiral Crowe was asked specifically if he would prefer the Rail Mobile MX to the Midgetman, if a decision had to be made on the basis of budget reductions . . . to the Admiral's credit, he answered the question directly . . . he said he would choose the Rail Mobile MX. Later, General Welch was asked if he still agreed with the assessment of priorities he shared with the Committee last year as CINCSAC. He had ranked our strategic priorities as the B-1, the MX, the D-5, the ATB and finally, the small ICBM. He reaffirmed this ranking, as a member of the Joint Chiefs of Staff of the Air Force. My question to you as the new CINCSAC is, "Do you concur with the assessment of Admiral Crowe and General Welch as to the relative priority of this strategic program?"

ANSWER: Yes, given a forced choice, I would agree with Admiral Crowe. I also concur with General Welch's ranking of our strategic programs. Certainly a full 100 Peacekeepers remain the number one priority. But having said this, I would not want it interpreted as nonsupport for any of the programs you mentioned.

MX REQUIREMENTS

QUESTION: General Chain, each year we have addressed the question of the MX. It may be on it's testing, or the amount, or the basing mode. Again this year we are faced with the challenge. In your professional opinion, how many MX should we be buying to meet our prompt hard-target kill requirement?

ANSWER: A 100 PEACEKEEPER force serves as a solid base for our future ICBM force structure. In the near-term, the first 50 PEACEKEEPERs in modified MINUTEMAN silos provide the lowest cost system to begin to correct deficiencies in prompt, hard-target kill capability. The second 50 PEACEKEEPERs deployed in the Rail Garrison basing mode complement the initial PEACEKEEPER deployment through added survivability while maintaining prompt hard-target capability. Acquisition of 100 PEACEKEEPERs will also allow better allocation of the modernized MINUTEMAN force. Further, a force of 500 Small ICBMs will complement PEACEKEEPER and provide additional flexibility, endurability, and hard-target capability we will need in the mid 90s.

MX - THE RIGHT NUMBER

QUESTION: Do you disagree with your predecessors who argued that 200 MX missiles was the right number?

ANSWER: When a force of 200 PEACEKEEPERs was proposed in the 1970's, the PEACEKEEPER was the only future system in development to hold at risk promptly critical hardened Soviet targets. Within the context of a mixed PEACEKEEPER, Small ICBM, and D-5 force, adjusted appropriately for the projected growth in Soviet hard targets, 100 PEACEKEEPERS are the proper number at this time.

REDUCED MX DEPLOYMENT

QUESTION: What impact would a drastically reduced deployment of MX do to our military posture?

ANSWER: The greatest and most destabilizing shortfall in strategic nuclear deterrence is the ability to promptly and efficiently target [deleted.] The near-term most cost effective solution is 100 PEACEKEEPER missiles. Less than full deployment of 100 PEACEKEEPERS would increase the ability of the Soviets to successfully accomplish their war aims if they chose to attack the United States. 100 PEACEKEEPERs will ensure that we continue to hold the Soviet strategic offensive capability at risk now and in the future. Any other approach costs more and provides less capability.

LEVERAGE FOR NEGOTIATIONS

QUESTION: What will it do in terms of leverage; for the Soviet Union to negotiate?

ANSWER: For their part, the Soviets continue to invest heavily in strategic modernization, with emphasis on large accurate ICBMs. Full deployment of 100 PEACEKEEPERs is an unmistakable statement of US resolve to redress a destabilizing shortfall and an incentive for the Soviets to earnestly negotiate broad, deep, equitable and verifiable reductions. History shows that a commitment to restore the military balance with the Soviets and deny them a significant strategic advantage is essential for serious arms control negotiations.

QUESTIONS SUBMITTED BY SENATOR D'AMATO

B-1 FUNDING REQUESTS

QUESTION: The Chairman of the House Armed Services Committee has said that the $800 million in additional funds for the B-1B is the "tip of the iceberg." Although I know you believe additional costs will not be driven up as high as $3 billion, as Mr. Aspen has suggested, do you see significant funding requests in FY 90 and 91 for the B-1 program?

ANSWER: The current B-1B FY 1988/1989 RDT&E budget request includes $595 million for the baseline weapon system. The additional $207M supports proposed enhancements beyond the scope of the certified $20.5B (FY 81) program. We are confident that with full support of the baseline funding request, no additional development monies will be required. If the request is fully honored, the program will be funded at $20.2B (FY 81), well within the certification. We are working hard to execute the program at this funding level and are optimistic that the program has sufficient procurement funding to cover overtarget performance and other contract contingencies. Larger estimates recently circulated must assume enhancements outside the scope of the baseline $20.5 (FY 81) program.

DEFENSIVE AVIONIC FUNDING

QUESTION: How much of the additional funds are going to be spent toward fixing the defensive avionics problem?

ANSWER: The B-1B's FY 1988/1989 RDT&E request includes $595 million for continued development of the baseline system. Of this amount, about $80 million is budgeted to cover liabilities associated with the defensive avionics contract. Additional funds within the request indirectly support continued development of the defensive system bringing the total to about $150 million.

RECESS

Chairman STENNIS. Well, gentlemen, there is a special briefing which is highly classified, as I understand. It can be given in a nearby room. It is in SD–116, just down the hallway. That is a smaller committee room, with a big table.

General, I believe you will be coming with us, you and any of your group.

[Whereupon, at 11:25 a.m., the subcommittee was recessed to reconvene in classified session in SD–116.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 1988

WEDNESDAY, FEBRUARY 25, 1987

U.S. Senate,
Subcommittee of the Committee on Appropriations,
Washington, DC.

The subcommittee met at 9:35 a.m., in room SD–192, Dirksen Senate Office Building, Hon. John Stennis (chairman) presiding.

Present: Senators Stennis, Sasser, DeConcini, Stevens and D'Amato.

DEPARTMENT OF DEFENSE

U.S. Army Forces Command

STATEMENT OF GEN. JOSEPH T. PALASTRA, JR., USA, COMMANDING GENERAL, U.S. ARMY FORCES COMMAND

ARMY GUARD AND RESERVE READINESS: THE ROUNDOUT CONCEPT

Panel One: Guard Forces

OPENING STATEMENT OF SENATOR STENNIS

Chairman Stennis. Our meeting will please come to order, ladies and gentlemen.

The hearing today is based upon that part of our military services that is very popular, as a whole. I know it is very important, and I think it has the backing of the people. Its record gets better and better. I know that all of us who know the facts about your activities point to you with pride and think that you are making a fine showing. I want to hear from you gentlemen directly.

We want a record here that will speak for itself and illuminate your needs, your achievements, and your future.

Gentlemen, I will proceed now with a brief statement, and, after our statements are finished, I expect to call on you.

OVERALL READINESS OF GUARD AND RESERVE

The subject of today's hearing is the overall readiness of the Army Guard and Reserve. Specifically, we have asked policy officials and field commanders to review and evaluate improvements in association and training between the Active and Reserve forces.

We are very interested in hearing a candid evaluation of a particular association called "Roundout."

The subcommittee will hold a separate hearing in late April to review the 1988 budget request for all Guard and Reserve forces. This latter hearing will include witnesses from the Department of Defense and the Army, Navy, Air Force, and Marine Corps Reserve and Guard forces.

Today's U.S. Army represents an inseparable partnership between the Active Army and the Army National Guard and Reserve. By the end of this fiscal year, over 50 percent of the Army's combat forces and 50 percent of its support forces will be in the Army National Guard and Reserve.

That is a remarkable set of facts.

The partnership between Active and Reserve components drives every aspect of our Army force structure.

This Senator has gone on record many times as a strong supporter of the Army National Guard and Reserve.

The Guard and Reserve must be ready to deliver fully capable combat and combat support units to the National Command Authority if they are required and summoned. Readiness means having men and women who are skilled, qualified, and motivated. It means individual and unit training and familiarity with active units in wartime missions.

EQUIPMENT READINESS

Finally, readiness means equipment, having modern weapon systems and support equipment to do the job.

I am glad we didn't have to say that our equipment is mainly leftovers and worn-out materials, and so forth. I have seen a day when it was somewhat along those lines. But you have come a long way from there and, on a personal basis, you have deserved it. On a national security basis, it is one of the real achievements of our time.

CAPSTONE PROGRAM

In recent years, the Army has made significant improvements in the readiness of the Guard and Reserve. The Capstone Program initiated in 1979 associated all Reserve and Active component units. It focuses units' peacetime training and continues the wartime missions and allows for improvement in mobilization planning.

Capstone has fostered a close relationship between the Active and Reserve components and has enhanced the readiness of the total Army. Increasingly, the Army is including Guard and Reserve units in overseas deployment exercises, annual Reforger deployments, and rotations to the National Training Center at Fort Irwin, CA.

ROUNDOUT PROGRAM

In no area is the importance of the Guard and Reserve to the total force more evident than with the Roundout associations in which Army divisions depend on Reserve components, combat brigades, and battalions. Roundout units are scheduled to deploy and fight alongside Active units. Roundout units are assigned the same priority for equipment and training as are their active counterparts.

INTRODUCTION OF WITNESSES

Today, we will hear from two panels. The first panel will discuss the overall associations between the Army Active and Reserve components and improvements in Reserve components' readiness.

We are pleased to have with us General Palastra, Commander, Army Forces Command; Lieutenant General Temple, Chief, National Guard Bureau; and Major General Ward, Chief, Army Reserve.

The second panel will focus on the Roundout concept. We are pleased to have with us four distinguished field commanders. Two are commanders of divisions that contain Roundout Reserve brigades—Major General Leuer, Commander of the Fifth Infantry Division, and Major General Corns, Commander of the Sixth Light Infantry Division. Two are commanders of Reserve brigades of Roundout divisions: Brigadier General McDaniel, Commander of the 48th Infantry Brigade; and Brigadier General Fleming, Commander of the 155th Armor Brigade.

To allow sufficient time, I would like to move that we hear from the second panel at 11 a.m. Also, it would be helpful if members of the first panel can remain through the balance of the hearing in case subcommittee members do not get an opportunity to ask all of their questions before 11 o'clock.

AC/RC ASSOCIATIOINS

Gentlemen, I would like to thank all of you for coming to testify before this subcommittee on this important subject.

I believe some of you have written statements to submit for the record, and they certainly will be gladly received. It does have a meaning for your record to be available to anyone and everyone, critics as well as those who applaud what you are doing, open to everyone.

I know you have had a remarkable span of development and expansion and assignment of extra duties in the last 15 or 20 years. I am tempted to repeat here, again, a little story. The first soldier, the first military man that I ever saw was a member of the National Guard. I remember it very vividly. I was just a little boy. Woodrow Wilson was President of the United States.

We had had some trouble down Mexico-way, and he sent some units, some soldiers, down that way, and one of the men who was called up and who went out with his unit was from my little home town, where I still live. He was a hero when he left, and he was a hero when he got back. I found him to be a very strong, dear friend as long as he lived. He would give us instruction on the side on how to become a military man. We all had that ambition, you see. We all wanted to be like he was, with that hat that had the stiff brim on it. That is the picture that I have of him, and it has come on down with me through the years to today. I am still interested in this branch. I believe we called it the Home Guard at that time.

The Senator from New York is here, and I know him well enough to know where his sentiments are. He does not run on just sentiment. He runs on doing things, doing things that are worthwhile. He turns out a lot of work in a day, too. It's a whole lot easier to be on his side than it is against him.

[General laughter.]

Senator D'AMATO. Mr. Chairman, if I might——

Chairman STENNIS. Yes, I recognize you, Senator D'Amato.

STATEMENT OF SENATOR D'AMATO

Senator D'AMATO. It's a whole lot nicer to have you on my side. I appreciate that because I don't think there has been a time when this Senator has had occasion to come to our distinguished Chairman that he has not always, always been most gracious. And when he has been supportive, it has paid dividends, and in most cases to this country.

I know on the issue of home porting, on the issue of defense, on the issue of Fort Drum, which is important not only as it relates to the region of New York and the upper areas, but for rapid deployment, the Chairman repeatedly has been supportive. And his support has not only been based upon parochial interests but, rather, far-reaching interests in terms of what is good for this nation.

Indeed, it is a great privilege for me to be on this subcommittee and to be with the Chairman.

Let me say that I am going to continue to look to be on your side, Mr. Chairman, because you have been coming down on the issues in the right way.

Chairman STENNIS. Thank you very much for your words and thank you for all of the good things you have done since you got here. I know that we have had some causes that we were making a common fight for, fighting for the same cause, I mean.

Thank you very much.

Senator D'AMATO. Thank you, Mr. Chairman.

Mr. Chairman, if I might, I do have another hearing in which I will be participating. I will be just around the corner, in the Appropriations Subcommittee on Transportation.

But I do have a statement that I would like to submit for the record.

Chairman STENNIS. All right. We will accept it now for the record at this point.

Senator D'AMATO. Thank you, Mr. Chairman.

Chairman STENNIS. Thank you, and you come back when you can. We may send for you, and if we do, you will know that we need you.

Senator D'AMATO. I will be in room 138.

Chairman STENNIS. Thank you. The Senator's statement will appear in the record by unanimous consent.

[The prepared statement of Senator D'Amato follows:]

PREPARED STATEMENT OF HON. ALFONSE M. D'AMATO

U.S. SENATOR FROM NEW YORK

Mr. Chairman, I appreciate the opportunity to hear the testimony of these panelists on the readiness of our Army Guard and Reserve units.

Our nation's security relies more and more on our Guard and Reserve forces. It is imperative then that these forces be not only well equipped, but in a constant high state of readiness. The increased readiness of our Guard and Reserve units translates directly into increased readiness of our total Armed Forces.

One of the ways that our defense readiness is improved is through the concept of Roundout. This program, which began in the 1970's, couples a Guard or a Reserve brigade with Active brigades. In my own state of New York, the newly stationed 10th Mountain Division includes the 27th Infantry Brigade of the National Guard from Syracuse.

I am interested on how Roundout has improved the readiness of Active Forces, as well as how it has improved the readiness for our Reserve forces. I look forward to reviewing the testimony of the two panels of witnesses on this matter.

Thank you, Mr. Chairman.

STATEMENT OF GENERAL PALASTRA

Chairman STENNIS. Thank you, Senator.

Gentlemen, as I have said, we have panel one and panel two to hear from this morning.

Now we have Gen. Joseph T. Palastra, USA, Commanding General, U.S. Army Forces Command.

General, I am going to call upon you first, please. Proceed in your own way, and we will have some questions and answers later.

General PALASTRA. Thank you, Mr. Chairman.

I welcome the opportunity to provide some views on the close organizational operational ties of Active and Reserve component units and our total Army attempts to improve the defense capability of the country.

As Commander of Forces Command, I am focused on the mission of preparing Army forces that are based in the continental United States for mobilization, deployment, and successful employment in the event of war.

CAPSTONE PROGRAM

In executing that mission, you referred to one of the most significant and unique initiatives that have been undertaken in defense for some time when you mentioned the Capstone Program. It is not an acronym, but merely a name to designate the fact that for the first time in the history of preparing Army forces for defense, we are organizing in peace time the way we would fight in wartime, with Active, National Guard, and U.S. Army Reserve forces.

The American armed forces have traditionally, historically fought wars with a relatively small Active standing force, expanded in emergency by the Guard and Reserve.

What is unique about the Capstone approach to amalgamating all Guard and Reserve component units with the Active is that we have lined them up by contingency mission packages so that we could focus very precisely the Active, the National Guard and the Reserve units on the specific wartime missions they need to be prepared to execute, and they focus on that in the chain of command, the wartime chain of command, under which they would be expected to execute those missions.

That has had a net effect of not only improving the focus of the Guard and Reserve forces, but of strengthening the bonding among the different components of the Army, Active and Reserve, in attempting to prepare to execute those wartime missions.

CALIFORNIA RESERVE FORCES

There are over 6,500 units of the Army components that comprise that Capstone Program. As an example of the close relationship that exists, that overlaps previous distinctions among the different components of the Army, I use the 311th Corps Support Command, which is a support command of the Active Army's First U.S. Corps, on the west coast, headquartered in Los Angeles, CA, a U.S. Army Reserve unit commanded by a Reserve Major General, who is, by civilian occupation, a lawyer. Included in the chain of command in the organization of that corps support command is a National Guard medical brigade, the 175th Medical Brigade of the California Guard, and a subordinate element of that National Guard Medical Brigade is the 62nd Medical Group, Active Army, stationed at Fort Lewis, WA.

These people habitually work with and for each other in peacetime, training to execute a wartime mission. And that is unique in our history.

ROUNDOUT ASSOCIATION

That same relationship you find existing when you look at the major combat maneuver forces stationed here in the United States. Of the 12 Active Army divisions in the United States, nine would deploy with Roundout brigades and/or Roundout battalions.

Of all of the associations that we have between Active and Reserve component units, the Roundout association is probably the closest, because that National Guard or, in the case of the Sixth Division in Alaska, the U.S. Army Reserve brigade that rounds out the two brigade structure of the Active division, considers itself part of that division, and the division considers that brigade part of the division.

They form a very close, continuous working relationship that goes far beyond the 45, 50, or 60 days of a year that you have formal training.

Having commanded the Fifth Division at Fort Polk, LA, for about 2½ years, and knowing that the 256th Louisiana Guard Brigade was my third brigade, I can speak first-hand to the close relationship.

The impact of Reserve component units rounding out the Active force can be highlighted also by looking at the corps that I commanded before coming to Forces Command—the First U.S. Corps, stationed at Fort Lewis, WA.

Over 90 percent of the corps forces are in the Reserve component, National Guard and U.S. Army Reserve. So there has been an increasingly close association between the Active and Reserve component units, to the betterment of the total force, not only to the betterment of the Reserve component units involved.

I appreciate the opportunity to make that brief introductory statement out front, and I stand by to answer whatever questions you might have, sir.

[The prepared statement of General Palastra follows:]

PREPARED STATEMENT OF GEN. JOSEPH T. PALASTRA, JR.

COMMANDING GENERAL

U.S. ARMY FOROCES COMMAND

Mr. Chairman, members of the committee, LTG Temple, MG Ward and I welcome this opportunity to give you our views on Active and Reserve component Roundout readiness. My primary mission in Forces Command is to train the CONUS-based forces (Active, Army National Guard, and Army Reserve), and plan for their mobilization and commitment anywhere in the world to either deter war or fight and win decisively. This is the focus of the total forces—all else is subordinate.

Today's Army has the ability to win in combat. A number of positive trends and indicators point to victory:

—The quality of our total force soldiers is at an all-time high. They are smart, well educated, patriotic, interested, and more importantly, they have an enthusiastic will to win.

—The quality of equipment is also high. New equipment, such as the Bradley fighting vehicle, the Abrams tank, and the Apache helicopter, are enhancing our battlefield capability.

—The quality of training is steadily improving. Simulators, the National Training Center, overseas deployment—all enhance our ability to experience realistic training.

The Reserve component plays a vital part in our total force. A few years ago, we made some fundamental choices in the Army. Do we grow larger as an Army in order to deal with the spectrum of conflict in which we might find ourselves? Or, do we limit the size of the Active Army and concentrate on modernizing our equipment and recruiting and retaining quality people? A conscious decision was made to constrain the growth of the Active Army, and to concentrate instead on quality people, quality living conditions, quality care for families, and modernization of our equipment. Therefore, there is increasing reliance on the immediate go-to-war capability of both the Army National Guard and the Army Reserve. The Reserve component is no longer just a backup force, but is a full partner in our first line of defense.

The Reserve component's ability to be constantly prepared to mobilize and commit forces has always been essential. Now, its importance grows daily. A significant portion of the Army's combat arms units are Reserve components.

For example: 81 percent of the infantry battalions; 57 percent of the field artillery battalions; 49 percent of the mechanized infantry battalions; and 45 percent of the armor battalions.

Further, our Reserve components are absolutely essential to successfully sustain large-scale combat operations. A major portion of our combat support and combat service support units are Reserve components.

For example: 97 percent of the civil affairs units; 87 percent of the psychological operations units; 74 percent of the Army hospitals; 74 percent of the maintenance companies; 71 percent of the supply and service units; and 61 percent of the conventional ammunition companies.

There are many others, but this sampling should underscore the importance of a trained, well-equipped, Ready Reserve component to the successful completion of the total Army mission.

The total Army—Active component, Army National Guard, and Army Reserve—must fight together, and, therefore, they must train together.

The welding of the Active Army, the Army National Guard, and the Army Reserve into one total Army is a requirement for which numerous initiatives within the Army are directed.

One of our most successful initiatives has been the Capstone Program. It symbolizes the reality of the total Army and is the backbone of the interface of the Active and Reserve components. It identifies Reserve component mobilization alignment, parent and subordinate command structures, time-phasing into the wartime theater, and command and control structure. Currently, we have approximately 6,500 units in the Capstone Program, greatly improving our ability to mobilize and deploy the force. Each of these units know where they will fight after mobilization, and many, both Active and Reserve components, have been there.

Gaining CINC's, such as SACEUR, would become the wartime employers of this force.They provide mission guidance to subordinate wartime-aligned units so that those units can develop training programs in support of their wartime priority planning.

One example of how Capstone has successfully integrated our components is illustrated by the 311th Corps Support Command [COSCOM], Los Angeles, CA, which, under Capstone, is subordinate to I Corps. Although the 311th Headquarters is Army Reserve, its subordinate units are made up of all three components (Active Army, Army National Guard, and Army Reserve). The maturation of the 311th as a command and control headquarters exemplifies the benefits to total force readiness when Reserve component and Active component organizations habitually train together. Three years ago, the 311th was standing on the sidelines watching the game. However, over the past 2 years, the 311th has steadily grown and provided support to I Corps in three major field exercises and two computer-assisted Corps level command post exercises. In each successive exercise, the 311th COSCOM has stretched its horizons, gained self-confidence, and, perhaps more importantly, demonstrated total force competence.

For the upcoming Team Spirit 87 field exercise scheduled for the March–April timeframe, the 311th COSCOM is being asked to support all 11,500 U.S. soldiers in the I Corps task force and to perform interoperability training with the two Republic of Korea Army divisions under I Corps during the exercise. To further challenge the COSCOM and' demonstrate a combined command and control capability, we have asked them to distribute fuels and provide transportation support using Republic of Korea Army combat service support units. The 311th COSCOM is good. Of course, it is resource limited, but it can accomplish its wartime mission.

The Active component/Reserve component directed training associations program is one of the ways we execute training under the Capstone umbrella. Through this program, dedicated training assistance is provided Reserve component units by a like-type Active Army sponsor. For example, the 1st Calvary Division assists the 155th Armored Brigade of Mississippi; the 25th Light Infantry Division assists the 29th Infantry Brigade and the 100th Battalion, 442d Infantry of Hawaii; and the 194th Armored Brigade assists the 30th Armored Brigade of Tennessee. Because the amount of training days for Guard and Reserve units are limited, the Active component sponsor unit helps overcome the limitations on the Reserve component unit's training time, to include providing annual training assessments and other forms of assistance throughout the year.

One of our most successful training programs in support of Capstone is the Overseas Deployment Training [ODT] Program which allows the Reserve component unit to experience training in an overseas area. As a result of increased Capstone mission planning and increased participation in OCONUS exercises, the program has experienced a tremendous growth over the past 6 years (200 units/cells and approximately 3,500 personnel in fiscal year 1981 to a projected participation of approximately 2,600 units/cells and 48,000 personnel in 1987). For example, approximately 44 percent of the units in Reforger 86 in Europe were Reserve components, including deployment/redeployment of the entire 32d Separate Infantry Brigade of the Wisconsin Army National Guard.

In addition to the normal ODT, we are also benefiting from excellent training opportunities in Latin America. During fiscal year 1986, over 10,000 Reserve component soldiers participated in Blazing Trails, an engineer-oriented exercise in Panama and Honduras. This series of exercises is continuing in Latin America this year with slightly over 11,000 Reserve component personnel participating.

We have made great progress in training. Training is tougher, more realistic, and more meaningful than ever before. One of our most challenging and rewarding training initiatives is the National Training Center [NTC] at Fort Irwin, CA. Battalion rotations at the NTC have grown from none in 1980 to 28 in 1986. Nine Army National Guard battalions have rotated through the NTC with their Active component counterparts. This includes all the National Guard armor and mechanized infantry battalions with Roundout requirements. This year, for the first time, we will have a National Guard brigade rotation at the NTC (256th Infantry Brigade of the Louisiana ARNG—Roundout to the 5 ID).

ROUNDOUT PROGRAM

I would now like to turn to the Roundout Program, the purest form of Capstone relationship. Due to manpower and budgetary constraints, Active Army divisions, in some cases, have been organized with fewer maneuver battalions, brigades, or support units than the number required for a standard configuration. To bring these understructured units to the desired mobilization configuration, we established the Roundout Program. This has allowed the Army to raise its combat strength to 18 Active Army combat divisions and stay and without increasing Active manpower. Roundout units are assigned the same Department of the Army master priority list [DAMPL] level as the parent unit being rounded out. Costs to accomplish this are considerable; however, in terms of both manpower and equipment costs, it is a far more reasonable approach than attempting to reach the same objective through the use of only Active Army manpower and equipment assets. Roundout units are accorded the highest priority among all Reserve component units in the allocation of resources.

Today, 9 of the 12 Active Army divisions in forces command are rounded out with brigades and/or battalions from the Reserve components. The Roundout units have received, or are programmed to receive, modernized equipment compatible with and in the same timeframe as their Active Army sponsors. For example, the 1st Cavalry Division, along with its Roundout units, the 155th Brigade of Mississippi and the 3d Battalion, 141st Infantry of Texas and the 2d Armored Division, along with its Roundout Armor Battalion of North Carolina have completed fielding of the M1 Abrams tank and M2/M3 Bradley Fighting Vehicle. Further, the 24th Infantry Division (mechanized), along with its Roundout unit, the 48th Brigade of Georgia, is now in the process of modernizing to M1 tanks and M2/M3 Bradley Fighting Vehicles.

On the average, the readiness levels of our Reserve component Roundout units are one level higher than other like-type Reserve component nonRoundout units. Levels of training of Roundout units are generally above like-type Reserve component non-Roundout units, but are, on the average, slightly below those of their Active Army sponsors.For example, a non-Roundout battalion may report C-3 and a Roundout unit report C-2 on the training portion of its unit status report. A C-3 rating equates to 29–42 days reuqired to become fully trained in its wartime mission tasks versus 15–28 days required of a C-2 unit. In logistics, the level of organizational maintenance within the Reserve components, in general, is below that of the Active component. Military Occupational Specialty [MOS] qualification and personnel turbulence, which are problem areas throughout the Reserve components, are generally less pronounced in the Roundout units. (Because they are predominantly combat arms units with fewer "hard-skill" MOS.)

We made an asssessment of three like-type Army National Guard combat battalions from our Second Army area which encompases the southeastern United States. One of the battalions was Roundout, and the other two were not. The three battalions were examined in terms of their ability to conduct the basic missions of attack, defend, move, and shoot. The same standards were applied to each of the battalions. The Roundout battalion, having been through the NTC, was able to achieve a "go" on 80.8 percent of the tasks. The two non-Roundout battalions were at 68 and 71 [illegible]cent respectively. The difference, in our judgment, is the increased supervision and attention givent the Roundout battalion by its Active Army sponsor, plus the opportunity to train at the NTC.

Although our studies reveal that, in general, the enhanced image and challenging training of Roundout units serve as incentives which attract and assist in retention of quality soldiers, the geographic location of the unit, whether Roundout or not, will have a major impact on personnel strength and turbulence. For example, a unit in a nonindustrialized area will normally be at a higher personnel strength level than a like-type unit in an urban industrialized area.

Just like any other program, there are advantages and disadvantages associated with Roundout. The primary advantages are:

—Costs are less than attempting to reach same structure objective through use of only Active Army resources.

—Reserve component Roundout units have higher priority in resources than like-type Reserve component non-Roundout units.

—Active Army commanders provide increased guidance and supervision to their Roundout units.

—Roundout units have more demanding training opportunities (NTC and exercises).

—Roundout units have more modern equipment. (However, extensive "down time" caused by limited training time available to Reserve component units in conduct of new equipment training effectively reduces a rounded out division by up to one-third of its combat power for up to 3 years).

—Active Army commanders provide extraordinary year-round support to their Roundout units.

The disadvantages of this program with some associated costs to the total force include:

—Roundout units have limited training time available, creating different levels of readiness in the division.

—There are some existing operational incompatabilities between Active component sponsors and their Reserve component Roundout units; for example, secure communications equipment (Vinson versus Nester) and old versus new generation radios. We are correcting this as new equipment becomes available.

—In some cases, extraordinary support of Roundout units by Active Army sponsor can result in a deleterious effect on the training and readiness of the Active Army elements.

The integrity of the overall Capstone Program and its related Active component/Reserve component associations must be maintained and reinforced to cement the long-term benefits of the total Army structure. Our assessment is that the amalgamation of the Reserve components into an effective Army capable of fighting and winning is on track. However, if current funding levels are reduced, our objectives will not be accomplished and it will take longer to finish train-up of Roundout units in an emergency. We need your support.

Again, I greatly appreciate the opportunity to speak with you on this very critical matter.

VALUE OF GUARD AND RESERVE PROGRAMS

Chairman STENNIS. Well, gentlemen, I think we are all interested in your helping to make a record here, just what you are doing, how you have reorganized or changed your organization, how you have come to reach what you want. I want you to be frank about what you need. It is up to us to listen and then to use our judgment on the needs that you have, your expectations, and so on.

I think what you are doing is highly important, and I think most everyone who is familiar with what you doing also thinks it is important. But your message has to be passed along.

RECOGNITION OF SENATOR STEVENS

I will have some more questions for you in just a minute, but first I want to recognize the Senator from Alaska, Senator Stevens. He is a man of fine capacity here, not only in the military field but in others. He makes good contributions.

Senator, I am going to call on you to give you some time. Are you going to be here a while? If so, perhaps we could let them proceed, if you have some time to stay.

Senator STEVENS. I just have a short statement that I would like to make, and then I will be here with you throughout the hearing, Mr. Chairman. In fact, I have just flown through the night to be with you this morning, as a matter of fact. I have just come back from Alaska.

Chairman STENNIS. All right. Please proceed with your statement, and it will appear in the record. Then we will come back to our next witness, General Temple.

Senator STEVENS. Thank you very much.

I am sorry to be late and to have missed part of your statements, gentlemen, but I just got off the plane. I came back from Alaska because I wanted to be here at this hearing on readiness, and I also wanted to welcome my good friend, Major General Corns, who is the Commander of our new Light Infantry Division in Alaska.

I am pleased to say that the Chairman has joined with me in being an active supporter of the light division concept, and this subcommittee has been a strong proponent of modernizing the Reserve component of the total force of the Army.

The Chairman's leadership we all know in this effort. When I was Chairman of the subcommittee, he was unrelenting in his support for the Guard and Reserve, and I know he will continue to pursue that now.

I would like to ask, Mr. Chairman, for my full statement to appear in the record, as you said, and would like to welcome all of you who are appearing here today. I will tell you that, in my judgment, this subcommittee is united in its support of a portion of our Department of Defense that all of you represent.

Thank you very much.

[The prepared statement of Senator Stevens follows:]

PREPARED STATEMENT OF THE HON. TED STEVENS

U.S. SENATOR FROM ALASKA

Mr. Chairman, I commend you for calling this hearing to examine the Army's total force structure. I look forward to our discussion this morning on the Roundout mission of the Guard and Reserve and the impact this program has on the Army's readiness status.

I would also like to welcome Major General Corns, Commander of the 6th Light Infantry Division, based in Alaska. I have been an active supporter of the light division concept which incorporates the use of Guard and Reserve forces.

This subcommittee has been a strong proponent of modernizing the Reserve component of the total force Army, and you, Mr. Chairman, have provided significant leadership in this effort. Today I hope to learn how these modernization efforts have impacted the Guard and Reserve ability to perform to the standards necessary to make the total force concept viable.

As we examine the implementation of the Roundout concept with the Guard and Reserve, I hope to address other cost-effective missions suitable to the Guard and the Reserve. As resources continue to contract for defense, realizing the full potential of every unit becomes critical. I still believe there may be other opportunities to employ Guard units here and overseas.

I again wish to express my thanks to you, Mr. Chairman, for calling this hearing this morning and look forward to the day's proceedings.

Chairman STENNIS. Thank you, Senator, very much. We will hear more from you. I want you to have a full chance to say all that you may wish, including your observations, plans, and so forth.

General Palastra, you have completed your statement, have you not?

General PALASTRA. Yes, Mr. Chairman.

Chairman STENNIS. At this time, do you wish to add anything else?

General PALASTRA. No, sir.

NATIONAL GUARD BUREAU

STATEMENT OF LIEUTENANT GENERAL HERBERT R. TEMPLE, JR., USA, CHIEF, NATIONAL GUARD BUREAU, DEPARTMENT OF THE ARMY AND THE AIR FORCE

EFFECT OF ROUNDOUT PROGRAM

Chairman STENNIS. General Temple, you do have a statement, do you not?

General TEMPLE. Yes, sir; I have a statement that I would like to read.

Chairman STENNIS. Very well. Now is the time.

General TEMPLE. Mr. Chairman and distinguished member of the committee, I am Lieutenant General Herbert R. Temple, Jr., the Chief of the National Guard Bureau. I am pleased to appear before you to discuss the Active/Guard Roundout Program.

This statement, which I would like to present to the committee—I previously submitted a statement for the record which expands on some of the topics that I would like to cover this morning and hope that they be entered into the record—will provide you with my thoughts on how Roundout has affected the Guard, or, perhaps better stated, how Roundout has affected the total Army. I will focus this morning on training and, in particular, on how Guard training has become interwoven with the training of Active component units.

To do this, I must transcend Roundout and include Capstone, the Army's alignment of Guard and Reserve units, with their war-fighting Active force partners.

CAPSTONE PROGRAM

Through the Capstone Program, Army Guard units maintain a clear alignment to the war-plan requirements of our commanders-in-chief. War planning associations are established for our Army Guard units with Active Army commands. Army Guard units base training and planning on their assigned priority mission. The Army Guard contribution to the total Army effort has never been so apparent.

Capstone has definitely contributed to the total force policy. It has coherently brought together the force, both Active and Reserve, in a way that effectively forces the training to meet the demands of the battlefield; resourcing and planning on real-world operational needs contribute to that overall improvement.

Before the Capstone, Affiliation, and Roundout Programs, training in the Guard consisted primarily of weekends at the armory and 2 weeks of annual training at the closest military installation conducting low levels of individual and small team training.

As the Capstone and Affiliation Programs began, training took a different turn. Guard units began training with Active component units, and with this, training intensity heightened. They shared information and expertise in all areas and at all levels.

The consequence of sharing training has been the realization that Guard units welcomed the opportunity to train with their Active counterparts and would welcome a more intensive training program which would permit greater contact between the two components.

OVERSEAS DEPLOYMENT TRAINING PROGRAM

As a result, several programs have been developed which nurture the Active/Guard training associations. One is the Overseas Deployment Training Program, which provides an opportunity for personnel to learn about their assigned area of operations, their unit mission, and the wartime operating procedures of their Capstone gaining command.

The Overseas Deployment Training Program has opened up the world as a training ground. The Guard has had units training in Europe, in Central America, South Korea, Japan, the Pacific and Southwest Asia. As an example, sir, over 45 countries in this world will find Army National Guardsmen practicing their skills.

BLAZING TRAILS EXERCISE

As an example, one major exercise held recently, "Blazing Trails,' involved Army Guard units from 10 States that combined efforts with the Active Army, the Army Reserve and the Panama Defense Forces to construct roads in the Republic of Panama. In addition to providing engineer training, it was also a major logistical exercise involving approximately 11,600 soldiers before concluding that operation.

Blazing Trails in 1986 provided a similar opportunity as the engineering effort was directed toward the nation of Honduras.

KEY PERSONNEL UPGRADE PROGRAM

A second program which permits the interchange of training between Active component and Guard troops is the Key Personnel Upgrade Program. This program provides opportunities to enhance the military expertise of Army Guard key personnel through practical experience in their duty specialties.

In fiscal year 1986, over 2,500 Army Guard personnel went to the National Training Center to participate with Active units in their military occupational specialty, while thousands more are planned for the future.

The success of the Capstone Program can be measured by the fact that the training "C' ratings of units in the program have risen sharply since its inception. Commanders training to a specific mission feel better about their training.

ROUNDOUT PROGRAM

The Roundout Program focuses on a different form of partnership between the components. Roundout, as you know, was developed to provide Active component units—in this case, divisions—their full organization of elements by attaching peacetime Guard and Reserve units. In the event of war, these units would be assigned to deploy and fight as an integral part of the Active unit.

Roundouts have reaped the benefit of training with Active component units, but in a different sense. They are constantly in contact with the parent unit. They train together, they share expertise, and the Guard units are even included in the active parent unit's standing operating procedures.

Regarding this sharing of expertise and information, Major General Joe Griffen, the Adjutant General of Georgia, who was once the Commander of the 48th Brigade of the 24th Division says, "It makes the total Army work." He feels that "It's like having an interchangeable part."

In an article written last year, he cited the time when the 48th Brigade, because of its expertise, actually helped the 24th Active Division convert to a mechanized division.

Other examples of such cooperation can easily be cited.

In a more recent case, the Active component parent is helping its Roundout unit. From January to May of this year, the 10th Mountain Division will conduct a light leader course for personnel of the 27th Infantry Brigade of the New York National Guard, its newly-organized Roundout unit. There, the 27th Brigade will conclude its qualification program in June.

Additionally, the 10th Division will provide instructors and support personnel to augment the 29th Division's light leader course being conducted at Fort A. P. Hill.

Some of the training of Roundout units has been conducted at the National Training Center at Fort Irwin, CA. There, unit capabilities can be tested, as the Roundout unit has a chance to maneuver under simulated combat conditions.

The Army National Guard has rotated five mechanized battalions and two tank battalions through the center in fiscal years 1985 and 1986. Current plans call for six more mechanized and four more tank battalions to rotate through the center over the next 3 years.

Army Guard troops have always performed in a combat-effective manner while at theNational Training Center, consistently demonstrating their skill and professionalism. They have clearly shown that they can keep pace with their Active component counterparts.

To date, only Roundout units have had the opportunity to train at this facility. However, plans are underway to open the possibility for its use by units other than Roundout.

EQUIPMENT MODERNIZATION

One of the clear benefits of participating in the Roundout Program is the equipment modernization which is provided.

This association has provided the backbone on which the Guard's modernization program has been built. As a result of aligning Guard units directly with Active component units, the Guard's need for modernized equipment was highlighted. It became clearly evident that to bring the Guard's equipment in line with the division being rounded out, the Guard had to be provided exactly the same equipment as its Active parent.

To not do this would have caused insurmountable problems with maintenance, supply, and interoperability upon mobilization. To insure that they were equipped with the same modern equipment as the Active component parent, Roundout units were given the same resource priority.

As a result, they became some of the Army National Guard's highest priority units and have received equipment at an accelerated rate.

Another benefit of the modern equipment requirements program has been the clear proof that, when adequately resourced and trained, Guard units can achieve the highest military standards.

MICAF SYSTEM

Several years ago, the Army became concerned with determining if the modernization program was having the desired effect on the warfighting capability of its units. As a result of that concern, a system called "measuring improved capabilities of Army forces,' or MICAF, was developed. It is a quantitative, analytically-based system for measuring and reporting changes in a division's potential warfighting capability due to modernization.

To produce MICAF results, major units and their inventory of equipment on hand are fought through a series of battles. These duels are done at several points in time against a composite threat in a European scenario.

They are all done with computer supported simulation. MICAF reflects the quantity and quality of equipment, the quantity of personnel and the availability of supporting operations. Unquantifiables, such as the quality of personnel, morale, leadership, and unit cohesion, however, are not considered.

The first MICAF report was published in December 1984. Results show that the war-fighting capability of the Army National Guard Divisions improved by 20 percent from 1980 to 1984, while at the same time, the 16 Active component divisions and their Roundout units improved 17 percent.

The second MICAF report of December, 1985, showed an increase of 67 percent for Roundout units and 10 percent for non-Roundout units, when compared with the base year of 1980.

The results are even more dramatic when comparing only armored units. In the 1985 report, armored Roundout units improved their warfighting capability by an incredible 143 percent, compared to a 15 percent improvement for non-Roundout armored units.

Although Roundout units have undergone more turbulent force structure changes and have spent a great deal of time on new equipment training, their readiness quickly adjusts to the changes. It is worthy to note that the training standards for the Roundout units are the same as for their Active component counterparts.

Capstone and Roundout are terms that are often misunderstood and misused. But, however they may be understood or used, they all mean one thing—the total force concept is alive and working, and, because of that, the Guard is ready.

Sir, I am prepared for your questions.

[The prepared statement of General Temple follows:]

PREPARED STATEMENT OF LT. GEN. HERBERT R. TEMPLE, JR.

CHIEF, NATIONAL GUARD BUREAU
DEPARTMENT OF THE ARMY
AND THE AIR FORCE

MR. CHAIRMAN AND DISTINGUISHED MEMBERS OF THE COMMITTEE, I AM LIEUTENANT GENERAL HERBERT R. TEMPLE, JR, CHIEF OF THE NATIONAL GUARD BUREAU. I AM PLEASED TO APPEAR BEFORE YOU TO DISCUSS THE ACTIVE/GUARD ROUNDOUT PROGRAM.

AT THIS TIME I HAVE A BRIEF STATEMENT WHICH I WOULD LIKE TO PRESENT TO THE COMMITTEE. PREVIOUSLY I HAVE SUBMITTED A STATEMENT FOR THE RECORD WHICH EXPANDS SOME OF THE TOPICS I WOULD LIKE TO COVER THIS MORNING.

TO PROVIDE YOU WITH MY THOUGHTS ABOUT HOW ROUNDOUT HAS AFFECTED THE GUARD, OR PERHAPS BETTER STATED, HOW ROUNDOUT HAS AFFECTED THE TOTAL ARMY, I WILL FOCUS THIS MORNING ON TRAINING AND IN PARTICULAR HOW GUARD TRAINING HAS BECOME INTERWOVEN WITH THE TRAINING OF ACTIVE COMPONENT UNITS. TO DO THIS I MUST TRANSCEND ROUNDOUT AND INCLUDE CAPSTONE: THE ARMY'S ALIGNMENT OF GUARD AND RESERVE UNITS WITH THEIR WARFIGHTING ACTIVE FORCE PARTNERS.

THROUGH THE CAPSTONE PROGRAM, ARMY GUARD UNITS MAINTAIN A CLEAR ALIGNMENT TO THE WAR PLAN REQUIREMENTS OF OUR COMMANDERS-IN-CHIEF. WAR PLANNING ASSOCIATIONS ARE ESTABLISHED FOR OUR ARMY GUARD UNITS WITH ACTIVE ARMY COMMANDS. ARMY GUARD UNITS BASE TRAINING AND PLANNING ON THEIR ASSIGNED PRIORITY MISSION. THE ARMY GUARD CONTRIBUTION TO THE TOTAL ARMY EFFORT HAS NEVER BEEN SO APPARENT. CAPSTONE HAS DEFINITELY CONTRIBUTED TO THE TOTAL FORCE POLICY. IT HAS COHERENTLY BROUGHT THE FORCE, ACTIVE AND RESERVE, TOGETHER IN SUCH A WAY AS TO EFFECTIVELY FOCUS TRAINING, RESOURCING, AND PLANNING ON REAL-WORLD OPERATIONAL NEEDS.

BEFORE THE CAPSTONE, AFFILIATION, AND ROUNDOUT PROGRAMS, TRAINING IN THE GUARD CONSISTED PRIMARILY OF WEEKENDS AT THE ARMORY AND TWO WEEKS OF ANNUAL TRAINING AT THE CLOSEST MILITARY INSTALLATION CONDUCTING LOW LEVELS OF INDIVIDUAL AND SMALL TEAM TRAINING. AS THE CAPSTONE AND AFFILIATION PROGRAMS BEGAN, TRAINING TOOK A DIFFERENT TURN. GUARD UNITS BEGAN TRAINING WITH ACTIVE COMPONENT UNITS AND WITH THIS, TRAINING INTENSITY HEIGHTENED. THEY SHARED INFORMATION AND EXPERTISE IN ALL AREAS.

THE CONSEQUENCE OF SHARING TRAINING HAS BEEN THE REALIZATION THAT GUARD UNITS WELCOMED THE OPPORTUNITY TO TRAIN WITH THEIR ACTIVE COUNTERPARTS AND WOULD WELCOME A MORE INTENSIVE TRAINING PROGRAM WHICH WOULD PERMIT GREATER CONTACT BETWEEN THEM. AS A RESULT, SEVERAL PROGRAMS HAVE BEEN DEVELOPED WHICH NURTURE THE ACTIVE/GUARD TRAINING ASSOCIATIONS. ONE IS THE OVERSEAS DEPLOYMENT TRAINING PROGRAM WHICH PROVIDES AN OPPORTUNITY FOR PERSONNEL TO LEARN ABOUT THEIR ASSIGNED AREA OF OPERATIONS, UNIT MISSION, AND THE WARTIME OPERATING PROCEDURES OF THEIR CAPSTONE GAINING COMMAND. THE OVERSEAS DEPLOYMENT TRAINING PROGRAM HAS OPENED UP THE WORLD AS OUR TRAINING GROUND. THE GUARD HAS HAD UNITS TRAINING IN EUROPE, CENTRAL AMERICA, SOUTH KOREA, JAPAN, THE SOUTH PACIFIC, AND SOUTHWEST ASIA. AS AN EXAMPLE, ONE MAJOR EXERCISE HELD RECENTLY, "BLAZING TRAILS" INVOLVED ARMY GUARD UNITS FROM TEN STATES THAT COMBINED EFFORTS WITH THE ACTIVE ARMY, THE ARMY RESERVE, AND THE PANAMA DEFENSE FORCES TO CONSTRUCT ROADS IN THE REPUBLIC OF PANAMA. IN ADDITION TO PROVIDING ENGINEER TRAINING, IT WAS ALSO A MAJOR LOGISTICAL EXERCISE INVOLVING APPROXIMATELY 11,600 SOLDIERS BEFORE CONCLUDING. BLAZING TRAILS 86 PROVIDED A SIMILAR OPPORTUNITY AS THE ENGINEERING EFFORT WAS DIRECTED TOWARDS HONDURAS.

A SECOND PROGRAM WHICH PERMITS THE INTERCHANGE OF TRAINING BETWEEN ACTIVE COMPONENT AND GUARD TROOPS IS THE KEY PERSONNEL UPGRADE PROGRAM (KPUP). THIS PROGRAM PROVIDES OPPORTUNITIES TO ENHANCE THE MILITARY EXPERTISE OF ARMY GUARD KEY PERSONNEL THROUGH

PRACTICAL EXPERIENCE IN THEIR DUTY SPECIALITIES. IN FY 86, 2,500 ARMY GUARD PERSONNEL WENT TO THE NATIONAL TRAINING CENTER TO PARTICIPATE WITH ACTIVE ARMY UNITS IN THEIR MILITARY OCCUPATIONAL SPECIALITY WHILE 1,000 MORE PARTICIPATED IN REFORGER AS A PART OF THE KPUP PROGRAM.

THE SUCCESS OF THE CAPSTONE PROGRAM CAN BE MEASURED BY THE FACT THAT THE TRAINING "C" RATINGS OF UNITS IN THE PROGRAM HAVE RISEN STEADILY SINCE ITS INCEPTION. COMMANDERS TRAINING TO A SPECIFIC MISSION FEEL BETTER ABOUT THEIR TRAINING AND WHAT IT IS ACCOMPLISHING.

THE ROUNDOUT PROGRAM FOCUSES ON A DIFFERENT FORM OF PARTNERSHIP BETWEEN THE COMPONENTS. ROUNDOUT, AS YOU KNOW, WAS DEVELOPED TO PROVIDE ACTIVE COMPONENT UNITS -IN THIS CASE DIVISIONS - THEIR FULL ORGANIZATION OF ELEMENTS BY ATTACHING PEACETIME GUARD AND RESERVE UNITS. IN THE EVENT OF WAR, THESE UNITS WOULD BE ASSIGNED, DEPLOY, AND FIGHT AS AN INTEGRAL PART OF THE ACTIVE UNIT.

ROUNDOUT UNITS, TOO, HAVE REAPED THE BENEFIT OF TRAINING WITH ACTIVE COMPONENT UNITS, BUT IN A DIFFERENT SENSE. THEY ARE CONSTANTLY IN CONTACT WITH THE PARENT UNIT. THEY TRAIN TOGETHER, THEY SHARE EXPERTISE, AND THE GUARD UNITS ARE EVEN INCLUDED IN THE ACTIVE PARENT'S STANDING OPERATING PROCEDURES (SOP). REGARDING THIS SHARING OF EXPERTISE AND INFORMATION, MAJOR GENERAL JOSEPH GRIFFEN, THE ADJUNTANT GENERAL OF GEORGIA, WHO WAS ONCE THE COMMANDER OF THE 48TH INFANTRY BRIGADE (MECH), ROUNDOUT TO THE 24TH INFANTRY DIVISION, SAYS THAT "IT MAKES THE TOTAL ARMY WORK." HE FEELS THAT "IT'S LIKE HAVING INTERCHANGEABLE PARTS." IN AN ARTICLE WRITTEN LAST YEAR, HE CITED THE TIME WHEN THE 48TH BRIGADE, BECAUSE OF ITS EXPERTISE ACTUALLY HELPED THE 24TH DIVISION CONVERT TO A MECHANIZED DIVISION.

OTHER EXAMPLES OF SUCH COOPERATION CAN EASILY BE CITED. IN A

MORE RECENT CASE, THE ACTIVE COMPONENT PARENT IS HELPING ITS ROUNDOUT UNIT. FROM JANUARY TO MAY OF THIS YEAR, THE 10TH MOUNTAIN DIVISION WILL CONDUCT A LIGHT LEADER COURSE FOR PERSONNEL OF THE 27TH INFANTRY BRIGADE, ITS NEWLY ORGANIZED ROUNDOUT UNIT. THERE THE 27TH BRIGADE WILL CONCLUDE ITS QUALIFICATION PROGRAM IN JUNE. ADDITIONALLY, THE 10TH DIVISION WILL PROVIDE INSTRUCTORS AND SUPPORT PERSONNEL TO AUGMENT THE 29TH INFANTRY DIVISION'S LIGHT LEADER COURSE BEING CONDUCTED AT FORT A. P. HILL.

SOME OF THE TRAINING OF ROUNDOUT UNITS HAS BEEN CONCUCTED AT THE NATIONAL TRAINING CENTER AT FORT IRWIN, CALIFORNIA. THERE UNIT CAPABILITIES CAN BE TESTED AS THE ROUNDOUT UNIT HAS A CHANCE TO MANUEVER UNDER SIMULATED COMBAT CONDITIONS. THE ARMY NATIONAL GUARD HAS ROTATED 5 MECHANIZED BATTALIONS AND 2 TANK BATTALIONS THROUGH THE CENTER IN FISCAL YEARS 85 AND 86. CURRENT PLANS CALL FOR 6 MORE MECHANIZED AND 4 MORE TANK BATTALIONS TO ROTATE THROUGH THE CENTER OVER THE NEXT THREE YEARS. ARMY GUARD TROOPS HAVE ALWAYS PERFORMED IN A COMBAT EFFECTIVE MANNER WHILE AT THE NATIONAL TRAINING CENTER, CONSISTENTLY DEMONSTRATING THEIR SKILL AND PROFESSIONALISM. THEY HAVE CLEARLY SHOWN THAT THEY CAN KEEP PACE WITH THEIR ACTIVE COMPONENT COUNTERPARTS. TO DATE, ONLY ROUNDOUT UNITS HAVE HAD THE OPPORTUNITY TO TRAIN AT THIS FACILITY. HOWEVER, PLANS ARE UNDERWAY TO OPEN THE POSSIBILITY FOR ITS USE BY UNITS OTHER THAN ROUNDOUT.

ONE OF THE CLEAR BENEFITS OF PARTICIPATING IN THE ROUNDOUT PROGRAM IS THE EQUIPMENT MODERNIZATION WHICH IS PROVIDED. THIS ASSOCIATION HAS PROVIDED THE BACKBONE ON WHICH THE GUARD'S MODERNIZATION PROGRAM HAS BEEN BUILT. AS A RESULT OF ALIGNING GUARD UNITS DIRECTLY WITH ACTIVE COMPONENT UNITS THE GUARD'S NEED FOR MODERNIZED EQUIPMENT WAS HIGHLIGHTED. IT BECAME CLEARLY EVIDENT THAT TO BRING THE GUARD'S EQUIPMENT IN LINE WITH THE DIVISION BEING ROUNDED OUT, THE GUARD HAD TO BE PROVIDED EXACTLY THE SAME EQUIPMENT AS ITS ACTIVE PARENT. TO NOT DO THIS WOULD HAVE CAUSED INSURMOUNTABLE PROBLEMS WITH MAINTENANCE, SUPPLY, AND

INTEROPERABLILTY UPON MOBLIZATION. TO ENSURE THAT THEY WERE EQUIPPED WITH THE SAME MODERN EQUIPMENT AS THE ACTIVE COMPONENT PARENT, ROUNDOUT UNITS WERE GIVE THE SAME RESOURCE PRIORITY. AS A RESULT, THEY BECAME SOME OF THE ARMY NATIONAL GUARD'S HIGHEST PRIORITY UNITS AND HAVE RECEIVED EQUIPMENT AT AN ACCELERATED RATE. ANOTHER BENEFIT OF THE MODERN EQUIPMENT REQUIREMENTS PROGRAM HAS BEEN THE CLEAR PROOF THAT WHEN ADEQUATELY RESOURCED AND TRAINED, GUARD UNITS CAN ACHIEVE THE HIGHEST MILITARY STANDARDS.

SEVERAL YEARS AGO THE ARMY BECAME CONCERNED WITH DETERMINING IF THE MODERNIZATION PROGRAM WAS HAVING THE DESIRED EFFECT ON THE WARFIGHTING CAPABILITY OF ITS UNITS. AS A RESULT OF THAT CONCERN, A SYSTEM CALLED "MEASURING IMPROVED CAPABILITIES OF ARMY FORCES" OR MICAF WAS DEVELOPED. IT IS A QUANTITATIVE, ANALYTICALLY-BASED SYSTEM FOR MEASURING AND REPORTING CHANGES IN A DIVISION'S POTENTIAL WARFIGHTING CAPABILITY DUE TO MODERNIZATION. TO PRODUCE MICAF RESULTS, MAJOR UNITS AND THEIR INVENTORY OF EQUIPMENT-ON-HAND ARE FOUGHT THROUGH A SERIES OF BATTLES. THESE DUELS ARE DONE AT SEVERAL POINTS IN TIME AGAINST A COMPOSITE THREAT IN A EUROPEAN SCENARIO. THEY ARE ALL DONE WITH COMPUTER SUPPORTED SIMULATION. MICAF REFLECTS THE QUANTITY AND QUALITY OF EQUIPMENT, THE QUANTITY OF PERSONNEL, AND THE AVAILABLITY OF SUPPORTING OPERATIONS. UNQUANTIFIBLES SUCH AS THE QUALITY OF PERSONNEL, MORALE, LEADERSHIP, AND UNIT COHESION, HOWEVER, ARE NOT CONSIDERED.

THE FIRST MICAF REPORT WAS PUBLISHED IN DECEMBER, 1984. RESULTS SHOWED THAT THE WARFIGHTING CAPABILITY OF THE ARMY NATIONAL GUARD DIVISIONS IMPROVED BY 20% FROM 1980-1984, WHILE AT THE SAME TIME THE SIXTEEN ACTIVE COMPONENT DIVISIONS AND THEIR ROUNDOUT UNITS IMPROVED 17%. THE SECOND MICAF REPORT OF DECEMBER 1985 SHOWED AND INCREASE OF 67% FOR ROUND-OUT UNITS AND 10% FOR THE NON-ROUNDOUT UNITS WHEN COMPARED TO THE BASE YEAR OF 1980. THE RESULTS ARE EVEN MORE DRAMATIC WHEN COMPARING ONLY ARMORED UNITS. IN THE 1985 REPORT, ARMORED ROUNDOUT UNITS IMPROVED THEIR WARFIGHTING CAPABILITY

BY AN ASTOUNDING 143.9% COMPARED TO 15.3% FOR NON-ROUNDOUT ARMORED UNITS. ALTHOUGH ROUNDOUT UNITS HAVE UNDERGONE MORE TURBULENT FORCE STRUCTURE CHANGES AND HAVE SPENT A GREAT DEAL OF TIME ON NEW EQUIPMENT TRAINING, THEIR READINESS QUICKLY ADJUSTS TO THE CHANGES. IT IS WORTHY TO NOTE HERE THAT THE TRAINING STANDARDS FOR THE ROUNDOUT UNITS ARE THE SAME AS FOR THEIR ACTIVE COMPONENT COUNTERPARTS.

ANOTHER PROGRAM BEGUN RECENTLY HAS ALSO HAD AN IMPRESSIVE IMPACT ON THE READINESS OF ARMY GUARD UNITS. AS A PART OF AN EFFORT TO INTENSIVELY MANAGE EQUIPMENT-ON-HAND, A REDISTRIBUTION PROGRAM WAS PUT INTO EFFECT IN OCTOBER 1985. AT THE END OF THE FIRST YEAR, THE NUMBER OF UNITS REPORTING COMBAT READY FOR EQUIPMENT INCREASED BY 18%. ALTHOUGH THIS PROGRAM IS NOT RESTRICTED TO ROUNDOUT UNITS, THEY CLEARLY BENEFIT AS THEY HAVE SOME OF THE HIGHEST RESOURCE PRIORITIES IN THE GUARD.

ANOTHER REASON FOR THE SUCCESS OF THE ROUNDOUT UNITS THAT IS WORTH MENTIONING IS THE FULL-TIME UNIT SUPPORT PROGRAM. THIS CONSISTS OF PERSONNEL IN THE ACTIVE GUARD/RESERVE (AGR) PROGRAM, MILITARY TECHNICIANS, AND IN SOME CASES ACTIVE COMPONENT PERSONNEL WHO PROVIDE FULL-TIME ASSISTANCE TO UNITS IN THE AREAS OF ADMININISTRATION, TRAINING, AND LOGISTICAL AND MAINTENANCE SUPPORT. IN 1979, IN THE EARLIEST STAGES OF THE AGR PROGRAM, THE GUARD BEGAN TO SEND PERSONNEL TO ITS HIGHEST PRIORITY UNITS WHICH INCLUDED THE ROUNDOUT FORCES. TODAY THE ROUNDOUT UNITS HAVE 85% OF THEIR REQUIRED FULL-TIME UNIT SUPPORT STRENGTH AS COMPARED TO 74% FOR THE GUARD OVERALL. THIS CRITICAL SUPPORT HAS CERTAINLY HELPED THE ROUNDOUT UNITS AND OTHER GUARD UNITS ACHIEVE THEIR OUTSTANDING MEASURE OF SUCCESS.

THE EVIDENCE IS CLEAR - THE ROUNDOUT PROGRAM IS WORKING. THOSE UNITS PARTICIPATING IN THE PROGRAM RECEIVE THE MOST MODERN EQUIPMENT AND THEY RECEIVE IT EARLIER THAN THEIR ARMY GUARD COUNTERPARTS WHICH

ARE NOT DESIGNATED ROUNDOUT. TRAINING IS INTENSIFIED IN ROUNDOUT UNITS. THE OPPORTUNITY TO TRAIN WITH AND AS A PART OF AN ACTIVE COMPONENT UNIT IS A REAL MORALE BOOSTER. THOSE TROOPS HAVE A SENSE OF MISSION THAT IS REFLETED IN A WILLINGNESS TO GO-THE-EXTRA-TRAINING-MILE.

TO VERIFY FOR MYSELF THE FEELING OF GUARDSMEN WHO ARE PARTICIPATING IN THE ROUNDOUT PROGRAM, I RECENTLY HAD THE OPPORTUNITY TO HAVE A ROUNDTABLE DISCUSSION WITH FOUR MEMBERS OF ROUNDOUT UNITS: A JUNIOR NON-COMMISIONED OFFICER, A SENIOR NON-COMMISIONED OFFICER, A COMPANY GRADE OFFICER, AND A FIELD GRADE OFFICER. THROUGH THIS PANEL, I WAS ABLE TO DEVELOP A PERSPECTIVE ON THE IMPACTS AND EFFECTS OF THE ROUNDOUT PROGRAM AS SEEN AT ALL LEVELS WITHIN THE CHAIN-OF-COMMAND. TO A MAN, THESE INDIVIDUALS ARE ENTHUSIASTICALLY IN FAVOR OF THE ROUNDOUT PROGRAM. THEY UNDERSTAND THE DIFFERENCE IT HAS MADE IN THEIR NATIONAL GUARD SERVICE. A SENSE OF REAL PURPOSE EXISTS WHICH MAKES THE HARD TRAINING AND LONG HOURS WORTH THE EFFORT. THEY KNOW WHAT THEIR MISSION IS AND WHAT IS EXPECTED OF THEM. THANKS TO THE ROUNDOUT PROGRAM THEY NOW HAVE THE EQUIPMENT, TRAINING OPPORTUNITIES, AND PERSONNEL STRENGTH TO FULFILL THAT MISSION.

CAPSTONE AND ROUNDOUT - TERMS THAT ARE OFTEN MISUNDERSTOOD AND MISUSED. BUT HOWEVER THEY MAY BE UNDERSTOOD OR USED, THEY ALL MEAN ONE THING - THE TOTAL FORCE CONCEPT IS ALIVE AND WORKING. THE GUARD IS READY.

LIEUTENANT GENERAL HERBERT R. TEMPLE, JR.
CHIEF, NATIONAL GUARD BUREAU

General Temple began his military career as a private in the 160th Infantry Regiment (Los Angeles' Own), 40th Infantry Division, California National Guard, on June 2, 1947. He was called to active duty in September 1950 and served in Korea as a non-commissioned officer with Company B, 5th Regimental Combat Team, 24th Infantry Division. After his return to the United States, he was discharged from the Army on May 23, 1952, and subsequently rejoined the 160th Infantry Regiment. On October 20, 1952, he received a direct appointment as a second lieutenant in the California Army National Guard and was assigned as a Platoon Leader in the 160th Infantry Regiment. From April 1953 to June 1954, he commanded Company C of the regiment. Subsequent assignments were as Liaison Officer and Combat Command Motor Officer until October 1955, when he was assigned as Company Commander, Headquarters and Headquarters Company, Combat Command A, 40th Armored Division. He was assigned as Headquarters Commandant of the division in November 1959. He then served as Assistant G-1 (Personnel) and Acting G-1, 40th Armored Division and S-1 (Personnel) of the 40th Division Support Command until his assignment in September 1966 as Commander of the 40th Supply and Transportation Battalion. In September 1967, he became Commander of 3d Battalion, 160th Infantry, 40th Infantry Brigade (Separate).

He attended the United States Army War College from July 1974 to May 1975. After receiving his Masters Degree in public administration, he reported to the National Guard Bureau in September 1975 as the Chief, Office of Mobilization Readiness until June 1976 when he became Chief, Office of Policy and Congressional Liaison. On October 1, 1978, he was promoted to brigadier general and named Deputy Director, Army National Guard. He was appointed as the Director, Army National Guard, and federally recognized as a major general on August 19, 1982. Four years later he was appointed as the Chief, National Guard Bureau and promoted to lieutenant general.

General Temple is the former Vice President and part owner of V. B. Morgan Trucking Company of Long Beach, California. From 1971 to 1974, he served on the Staff of the Governor of California, as the Director of the California Office of Emergency Services, with responsibility for statewide emergency planning, coordination, and communications.

His awards and decorations include the Distinguished Service Medal, Legion of Merit, Meritorious Service Medal, Army and Air Force Commendation Medals, Good Conduct Medal, Korean Service Medal with one Bronze Service Star, Combat Infantryman Badge, Army Staff Identification Badge, and numerous other decorations.

CAPSTONE PROGRAMS AND RELATED TRAINING

CAPSTONE TRAINING RELATIONSHIPS

The Army CAPSTONE program has been expanded by incorporating the Affiliation, AC/RC Partnership, and CORTRAIN programs. Training associations and training relationships under this program are for the mutual benefit of participating units. The training categories mentioned above are discussed below.

Manpower constraints have made it necessary in some cases to fill out an active component division with reserve component troops. Roundout units are organized to complete such an under-structured active component force. Reserve component units designated as roundout are assigned a priority for allocation of resources equal to that of its active component sponsor unit. Roundout units are scheduled to deploy with their active component sponsor or as soon thereafter as possible. The Deputy Chief of Staff for Operations and Plans of the Army identifies roundout requirements and after coordinating with the Chief, National Guard Bureau, the Chief, Army Reserve, and Forces Command, selects units to fill these requirements.

Directed Training Associations include all reserve component units previously designated as affiliated units, Roundout, AC/RC Partnership Program units, and CORTRAIN units. Forces Command directs associations and relationships between active and reserve component units to provide dedicated, year-round training assistance. In these associations, active component units provide training assistance and equipment support to reserve component units. In some cases, the reserve component unit may provide specialized support to an active component unit. Unit affiliations are usually established between battalions and lower level units which are high priority deploying units (D to D+60). Partnership is the alignment of major combat and Special Forces reserve component units with similar active component units, usually at brigade and division levels.

ARMY NATIONAL GUARD OVERSEAS DEPLOYMENT TRAINING

The Overseas Deployment Training (ODT) program has been developed to strengthen CAPSTONE relationships. It provides units the opportunity to conduct wartime mission planning and training in their overseas theater of operations. It further provides opportunities to conduct mobilization, deployment, and reception planning and training. One objective is to increase unit readiness by providing optimum participation of units/cells in Outside the Continental United States (OCONUS)unilateral, joint, and combined exercises. A second objective is to provide an opportunity for personnel to learn about their assigned wartime area of operation, unit mission, and the wartime procedures of the CAPSTONE gaining command.

Eligibility for participation in the ODT program are determined by the unit's identification on a Time-Phased Force Deployment List (TPFDL) which supports a theater contingency plan, the unit's CAPSTONE alignment, and the CAPSTONE training priorities.

JOINT CHIEFS OF STAFF (JCS) EXERCISE PARTICIPATION

The Joint Chiefs of Staff (JCS) exercise participation is designed to train units in accordance with appropriate contingency plans to evaluate standing operating procedures (SOP) and war plan development. It also provides opportunities for:

a. CAPSTONE wartime mission training;

b. Training commanders and staffs in the Air Land Battle doctrine in a realistic environment;

c. Strengthening CAPSTONE relationships;

d. Exercising and evaluating personnel, administraitve, logistics, and communications systems;

e. Welding all elements, combat, combat support, and combat service support into an effective fighting force.

ARMY RESERVE

STATEMENT OF MAJ. GEN. WILLIAM F. WARD, JR., USA, CHIEF, ARMY RESERVE

GUARD AND RESERVE INTEGRATION PROGRAMS INTO ACTIVE FORCES

Chairman STENNIS. Gentlemen, we have divided ourselves into Panel One, and Panel Two, and I think we should finish up with Panel One, which has Major General William F. Ward, Chief of the Army Reserve, as the remaining witness in that panel.

General, are you ready?

General WARD. Yes, sir.

Chairman STENNIS. Please proceed, then.

Do you have a prepared statement?

General WARD. Yes, Mr. Chairman. I have a prepared statement which I would like to submit for the record, and would like to review some highpoints in my statement.

Chairman STENNIS. All right. Your statement will be admitted as a whole into the record, and the General will emphasize some high points of his choice.

Please proceed, General.

General WARD. Mr. Chairman and Senator Stevens, I am very pleased to be here today representing the more than 600,000 citizen-soldiers, the men and women who are part of the Army Reserve.

In the posture statement that the Secretary of the Army and the Chief of Staff submitted earlier this year, they talked about the integration of the Guard and Reserve units into the Active forces to a degree unprecedented in history.

The Roundout Program is an outstanding example of that unprecedented integration, and, while it is a fairly recent development, it is not the only relationship. There are similar relationships, and many of them have existed for a number of years.

OVERSEAS DEPLOYMENT TRAINING PROGRAM

One such program is the Overseas Deployment Training Program. That has grown from 12 units or cells in 1976 to more than 2,500 this year, that is, in 1986, with about 16,500 persons, and in 1987, we expect close to 25,000 Army Reservists to train overseas.

About 5,500 of those will be in exercise Blazing Trails, which has been eloquently covered by General Temple and General Palastra. I will not go into that further. It involves soldiers down there for 17 days of training, with ten rotations and approximately 100 soldiers there throughout the duration of the exercise. It started in January and will be completed about the end of May.

In addition to Blazing Trails, we have over 2,100 Reservists training in Team Spirit in Korea and 2,500 participating in Reforger in Germany.

THIRD ARMY AREA

Another example of the close relationship of the Active component in Army Reserve units is that of Third Army, the Army element of Central Command. Army Reserve units comprise about 30 percent of Third Army, and, in fact, 60 percent of the soldiers assigned to Third Army Headquarters are Army Reservists.

In the summer of 1985, those Reservists from the Third Army participated in exercise Bright Star in Egypt and other Middle East countries. This summer, about 2,550 Reservists will participate again in Bright Star.

The Reservists cite this kind of exercise as being a primary factor in their decision to stay with the program. It is exciting training, it is useful training, it is relevant training.

The savings and avoided replacement costs represented by this kind of increased retention is a very prudent investment by our total Army. Not only are these Reservists training in those areas in South America, but they are helping to build and stabilize neighbor nations, and the efforts of those citizen soldiers are identified by the local inhabitants as demonstrating that the United States and its people are, indeed, good neighbors.

CAPSTONE PROGRAM

Another program I wanted to cover is Capstone. It was initiated in 1979 and is designed to associate Active and Reserve component units in organizational structures to meet wartime operational requirements. Capstone is different from the Affiliation Program, which is a peacetime directed training program, an assistance program, which relates to Reserve units' mobilization missions and to specific training needs.

There are currently 211 Army Reserve units and organizations in the Affiliation Program. That program provides year-round Active Army training assistance to the Reserve components, to improve unit mobilization readiness.

While the Roundout Program is similar to Affiliation, it is basically a wartime alignment, and it relates to wartime kinds of roles. I think it is a very cost-effective force structure and has been demonstrated as that. It allows the Army to meet its mobilization requirements within resource allocations and within manpower ceilings.

We have 32 units in the Army Reserve currently in the Roundout force. Twenty-nine additional units are scheduled to go into the program between 1987 and 1990. A number of those 32 units currently in the Roundout force are, indeed, in the Sixth Infantry Division, which Senator Stevens knows so well.

Most of these Army Reserve Roundout units are military intelligence units, specifically the combat electronic warfare intelligence units, which will support both Active Army and Army National Guard divisions. They are essential intelligence elements without which the gaining combat divisions cannot be sustained on the modern battlefield.

Other Reserve Roundout elements include engineer units, infantry units, aviation, an armor battalion, signal units, et cetera.

As demonstrated by that list, the contribution to the war-fighting capability of the Army is critical indeed.

205TH SEPARATE INFANTRY BRIGADE

The Army Reserve's 205th Separate Infantry Brigade was designated in July 1985, as a Roundout element for the Sixth Division. That 205th Brigade was selected in part because of the natural winter training environment in relationship to the 172nd Infantry Brigade, which formed the nucleus of the 6th Infantry Division.

The 205th has trained in Alaska and was and is located in cold weather exercise country. It has the cold weather experience and equipment necessary to operate in the Alaskan environment.

REGIONAL MAINTENANCE TRAINING CENTERS

Regional maintenance training centers are another readiness element that have increased in importance in the last year and which help solve one of the major concerns of commanders, and that is their current inability to train under the precise kinds of equipment that actually are maintained in war.

While this is not part of the Roundout system, it is an initiative which tends to resolve the problem by providing regional maintenance, training, and sustainment activities in peacetime, which enables the armies to mobilize and deploy Reserve components, maintenance companies capable of supporting both current and future force structure requirements.

There are 21 of these facilities that are planned by 1992, with four in place right now. Of the 21, 19 are standard regional maintenance training sites and two are so-called high technology sites. We expect these will be staffed by full-time administrative personnel and the cadre will consist of training and doctrinal command and school personnel, certified instructors provided by the user unit, U.S. Army Reserve Forces schools, and the training and doctrinal command schools.

In summary, a steadily increasing role in the mission of the total Army has resulted from the Army Reserve's progress in achieving its readiness goals.

Today's Army Reserve is the finest in history. These improvements have been due in large measure to the long-standing interest and support of the Congress and particularly this committee.

With that continued support and cooperation, the men and women of the Army Reserve remain ready to meet the requirements of the day and many of the challenges of tomorrow.

Thank you, sir.

[The prepared statement of General Ward follows:]

PREPARED STATEMENT OF MAJ. GEN. WILLIAM F. WARD, JR.

CHIEF, ARMY RESERVE

Mr. Chairman and Members of the Committee:

I am pleased to be here today on behalf of approximately 600 thousand citizen-soldiers, men and women who are contributing to our national security as members of the Army Reserve.

In their FY 1988-89 Posture Statement, the Secretary of the Army and the Chief of Staff, Army declare that,

"Guard and Reserve units have been integrated into active forces to a degree unprecedented in recent history....the reserve components' maturing professional competence and performance fully justify their role as an essential element of the total Army."

The Roundout Program is an outstanding example of this "unprecedented" integration into the active force, an integration into the active force, an integration predicated upon professional competence and performance. while entry into the Roundout Program is a recent development for the Army Reserve, you should understand that we have been involved in similar relationships and programs with Active component units for a number of years.

One such program is Overseas Deployment Training, which has grown from 12 units/cells in FY 1976 to 2,562 units/cells with 16,435 personnel in FY 1986. In FY 1987, nearly 24,843 Army reservists will train overseas. We will train nearly 5,500 Army reservists in exercise blazing trails in Honduras this year. Exercise blazing trails in Honduras provides an outstanding example of our citizen-soldiers holding their own in performing a real world military mission and at the same time demonstrating American good will. Army Reserve Engineer Units are building 5.5 km (approximately 3.3 miles) of a two-lane dirt road that will ultimately link two fertile agricultural valleys into the Honduran road system. The construction site is well clear of the Nicaraguan border (approximately 100 miles) in hilly terrain covered with open pine forest. Our soldiers are experiencing a training opportunity which is not available in the United States. We are using 10 rotations of 17 days each with about 600 personnel training in-country at any one time. Approximately 100 soldiers are remaining throughout the exercise as duration personnel. This JCS-directed, SOUTHCOM-sponsored exercise began on 10 January and will end on 31 May.

In addition to Blazing Trails, nearly 2,145 reservists will train in Exercise TEAM SPIRIT in Korea; Approximately 2,501 will participate in REFORGER in Germany.

Another example of our close relationship with the Active component is the Army Reserve units that are part of Third US Army - the Army element of Central Command. Army Reserve units comprise about 30 percent of Third Army. Sixty percent of the soldiers assigned to Third Army Headquarters are reservists. In the summer of 1985, Reservists from Third Army participated in Exercise BRIGHT STAR in Egypt and other mideast countries. This summer 2,550 reservists will participate in BRIGHT STAR. This kind of training experience is frequently cited by reservists as a primary factor in their decision to stay with the program. The personnel savings and avoided training replacement costs represented by such personnel retention clearly mark this kind of training as a prudent investment by the Total Army.

The Army CAPSTONE Program was initiated in October 1979. It is designed to associate Active and Reserve Component Units in organizational structures which meet wartime operational requirements and the needs of the CONUS sustaining base. The CAPSTONE Program integrates units of all components by geographical and operational plan for four areas; Europe, the Pacific, Central Command (Rapid Deployment Force-Army), and the Continental United States. Updated annually, CAPSTONE permits Army Reserve units to focus their peacetime training on wartime missions and to conduct detailed mobilization planning. CAPSTONE has fostered a closer relationship between Active and Reserve Component units, enhancing the combat capabilities of the Total Army. Army Reserve units are CAPSTONE-aligned and train toward the specific mobilization missions they have been assigned under various contingency plans.

Akin to this is affiliation, a dedicated training assistance relationship between an active component sponsor unit and a selected Army Reserve unit. Affiliation is based on the Reserve unit's mobilization priority and its specific training needs. Currently, there are 211 Army Reserve units and organizations in the Affiliation Program. The Affiliation Program provides year-round training assistance to the Reserve Components to improve unit mobilization readiness.

The Roundout Program, although similar in some respects to affiliation, is specifically a wartime alignment. The Army Reserve unit that rounds out or complements a larger Army element will deploy concurrently with that element, or as soon thereafter as possible. The Reserve Component Roundout Unit also has the same priority for equipment fill as its gaining headquarters. The Roundout Program is a cost-effective force structure technique that allows the Army to meet its mobilization requirements within resource limitations and manpower ceilings.

The Army Reserve currently has 32 units in the Roundout Force Structure, with 29 additional units scheduled to go into the Force between 1987 and 1990.

On 10 July 1985, it was announced that the 205th separate Infantry Bde, USAR was selected as the RC Roundout Brigade for the 6th Division (LT) in Alaska. Selection of this Fort Snelling, Minnesota-based Brigade was a first for the USAR. based brigade was a first for the USAR. All other Roundout Brigades for Active Component Divisions were Army National Guard Units. A Roundout Division consists of two Active Component Brigades and one Reserve Component Brigade. The 205th was selected in part because of its existing training relationship with the 172d Infantry Brigade, which forms the nucleus of the new Division. The 205th had trained in Alaska, was and is located in a cold weather exercise region, and had the cold weather exercise equipment necessary to operate in the Alaskan environment.

A steadily increasing role in the mission of the Total Army has resulted from the Army Reserve's efforts to achieve its readiness goals. Although we still have a way to go, today's Army Reserve is the finest in history. These improvements have been due in large measure to the long-standing interest and support of the Congress and this committee with that continued support and cooperation, the men and women of the Army Reserve will remain ready to meet the requirements of today and the challenges of tomorrow.

Thank you,

GENERAL QUESTIONING OF PANEL ONE

Chairman STENNIS. Thank you, General Ward. We appreciate your presence here. The way you have covered this matter is helpful, and we will come back to that.

Senator DeConcini, if I may have your attention for a minute, we have two panels of witnesses today, from the Guard and Reserve, and we are about to finish up our witnesses on Panel One and will shortly go to Panel Two. Of course, all of this will be available to you in the record, and you will have a chance to ask questions, too.

I have a few questions now, gentlemen, for this panel, Panel One. I will begin with a question for General Temple, and then I will call on you, Senator Stevens.

LONG POLE IN THE TENT

General Temple, is equipment the "long pole in the tent" that holds back Guard and Reserve readiness?

Do you understand that question?

General TEMPLE. Yes, sir; I understand it very clearly.

It is one of several elements. It is not the single one that would have an adverse effect on the readiness of the Guard.

Of course, for a long time it has been the primary issue. But, given the modernization of the entire Army and the fact that the National Guard has been the recipient of a good deal of equipment, much of that has been relieved. So it has an adverse effect, but there are other elements as well.

We are also concerned about the MOS qualification of many of our Guardsmen. In many cases, strength is an inhibitor to the Guard.

EQUIPMENT ISSUE

But equipment still remains a considerable issue. As a matter of fact, if we were to mobilize the entire Guard and send it to war today, I only could equip the Guard with 66 percent of its equipment requirements for combat operations. So equipment is a major issue. But there are other factors that contribute to it.

Chairman STENNIS. Thank you.

While we are on that subject, let's go to General Ward and ask him the same question, which I will repeat. You gentlemen hit this thing as hard as you can now, because dollars are going to be mighty scarce around here when we get down to writing up these bills and filling in the blank lines with figures. We want your answers to ring out like a bell.

General Ward, let me put the same question to you: Is the equipment that you call "the long pole the tent" holding back, in your opinion, your program of advancement and preparedness?

General WARD. Mr. Chairman, that analogy of the long pole is one that gets somewhat subjective. But the limiting factor on the readiness of most of our combat service and most of combat service support units continues to be equipment on hand.

As you know, the Army Reserve has the preponderance of the total Army combat service and combat service support elements. Our units have have been receiving new equipment and are beginning to receive even larger amounts of new equipment. However, there is currently much that is not on hand.

In the last year, for example, of the $1.9 billion which went to the Reserve Components, only a small portion, about $200 million, went to the U.S. Army Reserve.

FIELD MEDICAL SUPPORT

We have coming on line substantial amounts of the kinds of equipment required, particularly in the medical area, in field units of the field hospitals of the total Army, some 62 percent are in the U.S. Army Reserve alone. I believe there is another 12 percent in the National Guard. We comprise between us about 75 percent of the total Army field medical support.

We have considerable shortages in medical equipment and in equipment for our combat service, combat service support elements, particularly in signal equipment and in some intelligence equipment.

The Dedicated Procurement Program of which the Congress has been so understanding and so creative in developing has been of major assistance to us since 1981. It has plugged in nearly $800 million.

Much of that Dedicated Procurement Program equipment is arriving and beginning to arrive in quantity. But we still have some very severe equipment shortages for our combat service, combat service support elements.

That is the main limiting factor, rather than personnel—except for personnel in the medical communities.

EQUIPMENT SHORTAGES

Chairman STENNIS. You mentioned shortages, that there are still shortages. You might file a list of those for the record.

General WARD. Yes, Senator. We shall do so.

[The information follows:]

USAR EQUIPMENT SHORTAGE SUMMARY[1]

[In millions of dollars]

Ground forces support materiel	124.2
Medical/dental materiel	167.7
Communications and electronic equipment	374.4
Aircraft and aircraft materiel	83.5
Combat, tactical, and support vehicles and related items	404.9
Missile related materiel	35.5
Weapons, chemical, and fire control materiel	48.4
Signal intelligence/electronic warfare equipment	223.5
Communications security materiel	39.3
Total	1,501.4

[1] Deployable unit reportable equipment shortages projected as of end September 1990. Based on 23 Sep 86 TAEDP (The Army Equipment Distribution Plan).

EQUIPMENT REQUIREMENT

Chairman STENNIS. This is a field of General Temple's specialty, too. Don't get together, now, and make out one list. Make out separate lists. It could become important and highly useful.

[The information follows:]

EQUIPMENT REQUIREMENTS

A list of equipment requirements for the Army National Guard is below. The list is based on major items of equipment that will increase the readiness, combat power, and supportability of the Army forces. In addition to major equipment items identified, miscellaneous procurement money can be used to procure small quantities of support equipment necessary to improve unit readiness. The costs below identify only the cost of the equipment. They do not include the cost of associated system items of equipment, fielding and sustaining costs generated by operations and support maintenance requirements, or the cost of civilian maintenance technicians generated because of the increase in equipment.

Item	Quantity	Cost
5-Ton cargo trucks	979	$63,635,000
M113A3 personnel carriers	60	144,000,000
Improved TOW vehicles	200	48,000,000
M88 recovery vehicles	67	56,280,000
MLRS	40	80,000,000
Tactical facsimiles	1,500	18,000,000
FISTV	118	40,120,000
HEMTT package (M60A3)	38	79,610,000
HEMTT package (M155 Bn)	30	98,250,000
Single channel satellite term	50	2,000,000
Night sight TOW	1,000	45,000,000
Launch, M60 series	65	34,450,000
Bridge AVL	15	1,065,000
Electronic shop shelter	120	5,040,000
AN/PRC 112 radio sets	400	16,000,000
MSE coordinated unit sets	2	12,000,000
Command post carriers	80	16,000,000
Night vision devices AN/AVS(V)1	610	13,431,590
Night vision devices AN/AVS(V)2	215	4,744,190
Cutting machine OPH	1	3,500
Generator ophthal lens	1	7,500
Optical fab unit, field	1	221,000
Pathology lab aug	1	33,000
MES lab inmmim-Serol	1	23,750,000
SLEP 2½-ton trucks		98,000,000
Training devices		100,000,000
Total		999,640,780

PREPOSITIONAL EQUIPMENT

Chairman STENNIS. If it is now agreeable with the committee, I hope we can stick to our Panel One and Panel Two format. With that as a starting point, Senator Stevens, I call on you now for your questions of these gentlemen or for any further statements you may wish to make.

Senator STEVENS. Thank you. I have no more statements to make.

General Palastra, you don't have prepositioned equipment for Guard and Reserve, as I understand it, for their deployment to either Korea or to Europe—is that correct?

General PALASTRA. That is essentially correct, yes, sir.

Senator STEVENS. You are going to rely on airlift, primarily, that would be contemporaneous with the movement of your forces if you had to deploy either way?

General PALASTRA. I would attempt to answer that in open session, without getting into classified criteria.

Senator STEVENS. I am only talking about generally.

General PALASTRA. Generally speaking, the Guard and the Reserve Roundout brigades to the Active component force do not have prepositioned materiel configured in unit sets in the overseas deployment theaters as the Active forces they are rounding out. That is correct.

Senator STEVENS. In December, I took a trip with staff out to the Pacific, and I looked into that a little bit. I have seen the prepositioned equipment, also, in Europe.

Not being just totally provincial about the question, why have we not prepositioned some of the equipment? Even if some of it were in my State, it would be halfway to either place. I think this idea of having equipment stored basically in the Southwest or Southeastern part of the United States, as I understand it, is it would be moved with these forces, and for their potential deployments in Korea or to support forces in NATO. Is that not so?

General PALASTRA. We have a fairly healthy preposition program in Europe.

Senator STEVENS. I've seen that, yes.

General PALASTRA. There are some operating contingency stocks in Korea, though nothing approaching any prepositioning like we have in Europe. And, when it comes to deploying the force, for example, rounding out the Sixth Division, defending the Alaska-Aleutian area, essentially, all of that equipment is going to accompany the unit when it deploys, whether it is a National Guard Brigade from Ohio or the U.S. Army Reserve Brigade rounding out the Sixth Division.

One of the driving criteria for establishing a requirement for prepositioned material in unit sets overseas is the availability of the unit to fall in on that equipment within a very constrained number of days. I would be glad to provide that specific criteria for the record in a classified version.

But, essentially, that is what the driving criteria has been and continues to be today.

AIRLIFT AND SEALIFT DEPLOYMENT

Senator STEVENS. Well, I would like to see the combination of sealift and airlift that would be necessary to deploy either to Korea or to NATO as far as the Guard and Reserve forces.

I wear another hat on the Merchant Marine Subcommittee, and I have tried to see if we could not increase the amount of sealift that we have. I keep finding references to sealift, which isn't there, and references to airlift which, if I understand emergency deployment, would be utilized in transporting the forces themselves.

I assume that you all have analyzed that, but I think the committee ought to be informed of what is the reliance of the Guard and Reserve on sealift and airlift, and where are their stocks, their prepositioned stocks and equipment.

If it takes classified information for an answer, Mr. Chairman, I am prepared to accept it on that basis.

General PALASTRA. I can say, without getting into the classified arena, that, as you deploy the division, the Active component division being rounded out to Europe, as they are closing into the theater, in all but one case, their Reserve component Roundout brigade is ready to load out back here in the States. That is how far we have improved the readiness of the Reserve components.

But, you have put your finger on the specific question of how you move that brigade then to Europe because, right now, that brigade has to move to Europe with its accompanying equipment, which dictates a sealift move in the case of all of our heavy brigades going to Europe.

FULL-TIME SUPPORT OF NATO MISSIONS

Senator STEVENS. I understand that you are about ready to come out with a report on the deployment of full-time support of NATO missions.

When is that due?

General PALASTRA. I am not familiar with the specific date on that report, but I can get that answer for you.

Chairman STENNIS. Can someone else answer the question for you?

Senator STEVENS. Well, he said he was not sure what the date is. But I would like to go into this subject matter.

Is this going to be a classified report?

General PALASTRA. When they get into specific deployment dates associated with units, it will be classified.

Senator STEVENS. Well, as you know, I was advocating last year a part-time full deployment concept for Guard and Reserve units to supplement the NATO strength and to reduce our full-time deployment of regular Army forces there, but to maintain the same level of deployment by using Guard and Reserve units.

Will this report cover that concept?

General PALASTRA. Let me defer to General Temple on that because he has been working in that area.

General TEMPLE. Sir, I believe that report is coming out of the office of the Assistant Secretary of Defense relative to the concept which you surfaced last year. At least, my dialogue has been with that office on the issue, and we have talked principally about combat support, combat service support elements. So I believe that is the genesis of where Defense's response will be coming from.

Senator STEVENS. Well, the three of you have been given an opportunity to participate in the preparation of that report, have you not?

General TEMPLE. We have been asked—at least I have been asked my view on the concept and the feasibility of providing some combat service support elements in concert with that. I'm not certain what details my staff has been dealing with with the Assistant Secretary, but I will find out for you.

[The information follows:]

My staff is in the process of developing a list of hard skill military occupational specialties [MOS's] which could most effectively be used in the maintenance area. Simultaneously, a proposed pilot program for the effective deployment and use of full-time assets in those MOS's is under development. Finally, a funding package is being constructed which would resource the plan if approved.

Senator STEVENS. How about you, General Ward?

General WARD. The same thing. We have provided some input and there has been some staff work and some dialogue on that issue. I don't know where the report lies.

Senator STEVENS. Well, I think the Honduras experience shows, Mr. Chairman, that there is a substantial possibility that we could maintain our current troop strength in Europe, but without having so much of our permanent standing Army deployed there. I guess I will just have to wait for that report.

Chairman STENNIS. We can get back into that when you have more information.

SEQUENTIAL DEPLOYMENT

Senator STEVENS. How could you deploy a division which has a part of it as Guard or Reserve unless the prepositioned equipment for that Guard or Reserve portion of the division is, in fact, prepositioned as the division equipment is?

General PALASTRA. You deploy them sequentially. That is the answer for how we do it right now. And with no prepositioned equipment for the Roundout brigades, that Roundout brigadefor whichever division it is that it is rounding out has to deploy with its equipment, which means, it has to deploy by sea.

Senator STEVENS. If we want to move our light division, division strength to Korea, we take up this brigade from Minnesota, as I understand it, just to round it out; we take up a portion of the Reserve down in the Washington area to round it out, and move it out.

Now, do they have to bring their equipment up to Alaska before they can deploy with the division?

General PALASTRA. No. I was speaking primarily of heavy divisions oriented to Europe.

When you are talking deploying the light infantry divisions, they can deploy from mobilization stations by air because the design of the light infantry division is to insure that they can deploy by C–141's.

Senator STEVENS. Does that apply to their stocks, too?

General PALASTRA. Their operating stocks are deployable by air line of communication. That is the way we designed that light infantry division. Everything they have goes by air.

Senator STEVENS. Thank you very much, Mr. Chairman.

I appreciate the time.

Chairman STENNIS. Thank you, Senator Stevens.

Senator DeConcini, that brings us to you, sir. We are pleased that you can be here.

Senator DECONCINI. Mr. Chairman, thank you, and thank you for your dedication. You are here every day, I think, and I am only here every other day. I appreciate the time that you give to each one of us here.

Mr. Chairman, Senator Byrd is at the White House this morning and cannot be here to submit questions. I wonder if, without objection, Mr. Chairman, I could ask you to submit some questions in behalf of our Majority Leader.

Chairman STENNIS. Yes.

Without objection, these questions from Senator Byrd will be submitted for the record.

AH-64 AIRCRAFT

Senator DECONCINI. Also, Mr. Chairman, I have a number of written questions, which I will submit, too. One deals with the AH-64 aircraft, General Palastra.

The Army's statement to Congress back in March of 1985 indicated a requirement of 396. Rather than go into it at great length, I will submit some detailed questions. If you and your colleagues could answer them as to how you are going to meet this requirement, in view of the fact that there are no AH-64 aircraft requested in the 1988 budget, we would appreciate it. You need not respond now. I will submit those questions to you.

177TH SEPARATE ARMOR BRIGADE

Senator DECONCINI. I do have one question that is of interest to me, General, and it is this.

Arizona is extremely interested in fielding the 177th heavy separate brigade and the associated units which would be fielded by the Army in fiscal 1988. However, the decision, I understand, to put this in the Reserve or the Active component has not yet been made.

Is the Active component going to get this, do you know? I understand that there are severe budget and space restraints, and might it be considered for the Reserve forces?

Lastly, of course, where does Arizona rate in that effort if it is considered by the Reserve forces?

General PALASTRA. The question of the 177th Separate Armor Brigade is pretty closely tied up with the force in place at the National Training Center at Fort Irwin, since the bulk of the maneuver forces that would comprise that 177th would be drawn from the forces assigned at Fort Irwin.

You are correct in stating that the decision on exactly how to structure and man and which component—Active, National Guard, or U.S. Army Reserve—the different pieces that that brigade would be in, has not been taken.

We are working with the Department of Army and Training and Doctrine Command from my headquarters to look at that.

Senator DECONCINI. I take it, General, then, if it were to go into the Reserve, chances are it would not be in Arizona or any place other than where the Active components are now?

General PALASTRA. In order to get the maximum use out of the unit, not only in a deployable wartime mission but a continuing peacetime mission, we would have to locate it at Fort Irwin, to fulfill its role as a surrogate Soviet motorized rifle regiment.

Senator DECONCINI. I have no trouble with that. I just wanted to ask that question.

Also, when will that decision be rendered? Do you have any idea?

General PALASTRA. I would expect sometime during this calendar year. The programming year in which that decision would take effect I would not want to prejudge because that is a decision that is going to be made here in Washington and not at my headquarters at Forces Command.

Senator DECONCINI. Thank you.

Mr. Chairman, thank you. I will submit the balance of my questions in writing to the panel.

Chairman STENNIS. Thank you very much.

I have a question here that comes from Senator Chiles, and it is directed to General Temple. I will place it in the record, by unanimous consent, at his request, and will call it to the attention of General Temple. Would you supply the answer later, please.

General TEMPLE. Yes, sir.

Panel Two: Reserve Forces

6th Infantry Division, Light

STATEMENT OF MAJOR GENERAL JOHNNIE H. CORNS, USA, COMMANDER OF THE 6TH INFANTRY DIVISION, LIGHT, AT FORT RICHARDSON, ALASKA

ROUNDOUT PROGRAM

Chairman STENNIS. All right. I believe we are now ready to proceed with Panel Two, and that will likely take some adjustment at the witness table. If you gentlemen would just vacate the space at the table, so that the next panel can come forward, we would appreciate it. Please don't leave because we may have further questions for you.

[Pause.]

Chairman STENNIS. Now, will everyone help us get acquainted with the witnesses in Panel Two. We will proceed in our usual way. If any members can stay, I hope they will do so.

I have a very brief statement addressed to the second panel, which, by the way, is composed of Major General Johnnie H. Corns, Commanding General, 6th Infantry Division, Light; Major General Kenneth C. Leuer, Commanding General, Fifth Infantry Division, Mechanized; Brigadier General Samuel E. Fleming, Commanding General, 155th Armor Brigade, and I believe I have heard of that before; and also Brigadier General William K. McDaniel, Commanding General, 48th Infantry Brigade, Mechanized.

All right, gentlemen. We will proceed. But first, I have a brief statement.

As I understand it, now, this second panel will focus on the Roundout Program.

ROUNDOUT ASSOCIATIONS

As I noted in my opening statement, we are pleased to have with us these gentlemen, whom I have already named, and we have selected four separate "Roundout" partnerships that provide a cross section of Roundout associations. Included is an armor brigade that recently has been modernized with Bradley fighting vehicles and a light division that was designed from its inception with an Army Reserve Roundout brigade.

We have included one of the first Roundout brigades to deploy under current mobilization planning, a brigade that is scheduled to take part in the next Reforger exercise, and a brigade that has sent combat battalions to the National Training Center.

The units represented today have long and colorful histories. The 5th Infantry Division fought in France in both World War I and World War II. During World War II, the 6th Division fought under General MacArthur in New Guinea and the Philippines.

General McDaniel's 48th Infantry Brigade has distinguished lineage dating back to 1825. The Georgia Militia and Guard units that ultimately became the 48th served in the Seminole War in 1836, the War Between the States, and World Wars I and II in Europe also.

The men who served in this unit fought and were distinguished in such battles as Chancellorsville, Gettysburg, St. Michel, and Normandy.

I am pleased that all of you gentlemen are here with us today. We are interested in understanding what the Roundout Program has meant for the readiness of your units. We are interested in your candid evaluation of the program and overall Guard and Reserve readiness.

We will proceed now with your statements.

The first name that I have on my list is that of General Johnnie H. Corns. General Corns, are you ready to proceed?

General CORNS. Thank you, Mr. Chairman.

It is a pleasure for me to be here today to give testimony on the 6th Infantry Division, Light, of which I am the Commanding General, which has a Roundout brigade, as you have indicated.

I would request, sir, that my statement be entered into the record, and I would just like to give some high points of that statement.

Chairman STENNIS. Without objection, your regular statement will be entered into the record, and you will be permitted to hit the high points of that statement.

General CORNS. Thank you.

6TH INFANTRY DIVISION, LIGHT

The 6th Infantry Division, Light, is the newest of the Army divisions and was activated last March, of 1986 with headquarters in Alaska. At the time it was activated, we instantly had a ready brigade, that being the 172nd Light Infantry Brigade, which had been stationed in Alaska for some time.

In July 1985, the 205th Brigade was identified as the Roundout brigade for the division. So in March of last year, the 6th Infantry Division became alive and consisted of two brigades, one Active and one Reserve component.

During the remainder of this last calendar year, we activated the 2d Active Brigade. So that gives us the three brigades that are normally in a light division. We also activated the Combat Aviation Brigade and the Division Support Command.

Additionally, we activated the second of the two Active artillery battalions that the division will have.

During this calendar year, we will activate all three of the battalions that will make up the Division Support Command. We will activate the Military Intelligence Battalion, and, before the end of the calendar year, we will activate the fourth of six Active component infantry battalions that we will have.

The balance of the division will be activated in fiscal years 1988 and 1989.

By the end of fiscal year 1989, we will have activated all of the Active elements, plus the addition of an Air Defense Artillery Battalion, which will be of the National Guard, from North Dakota, and an Attack Helicopter Battalion from the United States Army Reserve.

During the next 2 years, the 205th Brigade will be reorganized to lighten it up in the manner of the Active Division Table of Organization and Equipment. That will then give us the capability to fully fulfill the mission that is specified in the TO&E of the light division, and that is to be prepared to deploy anywhere in the world in defense of American interests.

In the design of the light division, we have built in the capability to fly away in C-141 type aircraft, with about one-third the aircraft that it takes for the next larger division in our force structure.

Our numbers are just over 10,000 in total strength, which is substantially less than the other divisions.

With the activation of the 6th Infantry Division, Light, in Alaska, with the Roundout brigade of the 205th, we have the opportunity to form a highly capable combat team and combat division, and we will be able to do that by capitalizing upon what I think are some of the strengths of the Roundout process.

I think General Marshall, during the days prior to World War II, identified as one of his major growth experiences the time he spent with the Guard forces. In that he learned an appreciation for their capabilities and limitations and was able to impart to them a better understanding of the Active element.

I see in the 6th Infantry Division, like in so many other of the Roundout units, the opportunity to bring the Active and the Guard and the Reserve forces closer together by training in peacetime the way you are going to fight in war, by using the so-called Capstone system, whereby I, in meeting with General Adamson, the Commanding General of the 205th Brigade, laid out for him the specific tasks toward which he must train during peacetime.

My assistant division commander for maneuver this past weekend was with the brigade in Minnesota in planning for their annual training coming up this year. We will use about 200 of our soldiers in support of that brigade in training at their annual training in Fort McCoy, WI.

As we do that, the standard operating procedures of the division become the standard operating procedures of that Roundout brigade. As we become aware of temporary equipment shortages that they may have, as we know exist in the case of some laser training equipment, called "MILES," we will be able to provide that. It is just an example wherein the Active element or the Reserve component element will complement the other during our peacetime training.

I am very confident that, as we continue in activating the division and in reorganizing the 205th Brigade into its light configuration, that we will have a division capable of deploying rapidly in defense of

American interests anywhere in the world, and in providing defense for the Alaskan region, which is also one of our current requirements.

Thank you, Mr. Chairman.

Chairman STENNIS. Thank you very much.

Senator Sasser, we are now in Panel Two, and we are going to call on the gentlemen in the order in which they appear on our agenda, and then we will have questions, if that is agreeable.

Senator SASSER. That's fine, Mr. Chairman. Thank you.

Chairman STENNIS. That is agreeable with you, Senator Stevens, is it not?

Senator STEVENS. Yes, Mr. Chairman.

Chairman STENNIS. General Corns, we thank you again.

[The prepared statement of General Corns follows:]

PREPARED STATEMENT OF MAJ. GEN. JOHNNIE H. CORNS

COMMANDER OF THE 6TH INFANTRY DIVISION (LIGHT) AT FORT RICHARDSON, ALASKA

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE: I AM MAJOR GENERAL CORNS, COMMANDER OF THE 6TH INFANTRY DIVISION (LIGHT) IN ALASKA AND WITH OUR ROUNDOUT BRIGADE - IN MINNESOTA, WISCONSIN AND IOWA. I AM PLEASED TO BE HERE TODAY TO SPEAK ON OUR ROUNDOUT ASSOCIATION WITH THE 205TH INFANTRY BRIGADE. BUT FIRST I WOULD LIKE TO PROVIDE SOME BACKGROUND INFORMATION ON THE NATURE AND CURRENT STATUS OF THE 6TH INFANTRY DIVISION (LIGHT).

THE ACTIVATION OF THE DIVISION WILL BE LARGELY COMPLETED BY 1989. THE DIVISION IS A STANDARD LIGHT INFANTRY DIVISION MADE UP OF TWO ACTIVE BRIGADES AND ONE RESERVE BRIGADE. SEVERAL OTHER DIVISIONAL UNITS HAVE RESERVE COMPONENT ELEMENTS PROPORTIONAL TO THE RESERVE BRIGADE. FOR EXAMPLE, THE ENGINEER BATTALION CONSISTS OF A HEADQUARTERS AND HEADQUARTERS COMPANY AND TWO ENGINEER COMPANIES FROM THE ACTIVE COMPONENT AND ONE ENGINEER COMPANY FROM THE US ARMY RESERVE. THE MAJOR SUBORDINATE RESERVE COMPONENT COMMAND OF THE DIVISION IS OUR THIRD INFANTRY BRIGADE (THE 205TH). OTHER RESERVE COMPONENT UNITS OF THE DIVISION WILL BE A NATIONAL GUARD AIR DEFENSE ARTILLERY BATTALION FROM NORTH DAKOTA, AND A US ARMY RESERVE ATTACK HELICOPTER BATTALION.

THE ACTIVE COMPONENT 172D INFANTRY BRIGADE, WHICH HAS BEEN IN ALASKA FOR MANY YEARS, PROVIDED THE NUCLEUS FOR THE ACTIVE COMPONENT PART OF THE DIVISION AND IS NOW THE DIVISION'S FIRST BRIGADE. THE DIVISION HEADQUARTERS WAS ACTIVATED ON 23 MARCH 1986. SINCE THEN WE HAVE ACTIVATED THE SECOND BRIGADE HEADQUARTERS, A SECOND ARTILLERY BATTALION HEADQUARTERS, THE COMBAT AVIATION BRIGADE AND THE DIVISION SUPPORT COMMAND HEADQUARTERS. DURING THE REMAINDER OF FISCAL YEAR 1987 WE WILL ACTIVATE THE MILITARY INTELLIGENCE BATTALION, A SECOND ASSAULT HELICOPTER COMPANY AND THE THREE LOGISTIC BATTALIONS THAT MAKE UP THE DIVISION SUPPORT COMMAND. EARLY IN FISCAL YEAR 1988 WE WILL ACTIVATE OUR FOURTH OF SIX ACTIVE INFANTRY BATTALIONS. WE EXPECT TO ACTIVATE THE LAST TWO INFANTRY BATTALIONS BEFORE 1990. ACTIVATION OF ALL RESERVE COMPONENT ELEMENTS OF THE DIVISION IS SCHEDULED TO BE COMPLETED IN FISCAL YEAR 1989.

AS YOU CAN SEE, THE ROUNDOUT BRIGADE IS A MAJOR ELEMENT OF THE DIVISION. THIS IS A UNIQUE RELATIONSHIP IN THAT THE 205TH IS THE ONLY US ARMY RESERVE INFANTRY BRIGADE WITH A ROUNDOUT MISSION: THE OTHER ROUNDOUT BRIGADES COME FROM THE NATIONAL GUARD. THE 205TH WAS DESIGNATED AS A ROUNDOUT BRIGADE FOR THE 6TH INFANTRY DIVISION ON 10 JULY 1985. HOWEVER, THE ASSOCIATION OF THE TWO UNITS GOES BACK FURTHER THAN THAT. PRIOR TO 1985 THE TWO UNITS HAD A PARTNERSHIP DIRECTED TRAINING ASSOCIATION.

THE 205TH IS CURRENTLY ORGANIZED AS A SEPARATE INFANTRY BRIGADE. BUT, BY THE END OF FISCAL YEAR 1989, ITS HEADQUARTERS AND INFANTRY BATTALIONS WILL BE ORGANIZED AND TRAINED AS LIGHT INFANTRY UNITS.

FROM MY PERSPECTIVE I SEE ROUNDOUT AS ONE VERY VIABLE ASPECT OF THE TOTAL ARMY. THE ROUNDOUT RELATIONSHIP WORKS AND IT WORKS EFFECTIVELY BECAUSE OF THE ADVANTAGES THAT ACCRUE TO BOTH THE RESERVE AND ACTIVE COMPONENT UNITS INVOLVED.

I SEE THREE MAJOR ADVANTAGES. FIRST, AS THE WARTIME COMMANDER OF THE 205TH, I PROVIDE THE BRIGADE ITS WARTIME MISSION STATEMENT, MISSION GUIDANCE, AND SIGNIFICANT TRAINING GUIDANCE. WITH THIS INFORMATION THE BRIGADE CAN BE VERY SPECIFIC IN TAILORING ITS TRAINING GOALS AND IN DEVELOPING ITS YEARLY TRAINING PLANS. THE ABILITY TO BE SPECIFIC ENABLES THE BRIGADE TO USE PRECIOUS TRAINING RESOURCES IN THE MOST EFFICIENT MANNER.

THE RELATIONSHIP IS ALSO ADVANTAGEOUS FROM THE STANDPOINT THAT WE, THE DIVISION AND THE BRIGADE, CAN TRAIN AS WE EXPECT TO FIGHT. IN PEACETIME, THE BRIGADE WILL TRAIN USING THE DIVISION STANDING OPERATING PROCEDURES. IN WARTIME IT WILL OPERATE WITHIN A SYSTEM WITH WHICH IT IS ALREADY FAMILIAR. THIS WILL MINIMIZE COMMAND, CONTROL, AND COMMUNICATIONS PROBLEMS. FURTHER, THE RELATIONSHIP ENCOURAGES THE TWO UNITS TO TRAIN TOGETHER AT EVERY POSSIBLE OPPORTUNITY TO

REALISTICALLY EXERCISE PLANS AND TO RESOLVE PROBLEMS PRIOR TO MOBILIZATION.

WITH REGARD TO TRAINING TOGETHER, BRIGADIER GENERAL ADAMSON, COMMANDER OF THE 205TH, AND I WERE TOGETHER IN JANUARY OF THIS YEAR AS GENERAL ADAMSON AND SELECTED MEMBERS OF HIS STAFF AND SUBORDINATE UNITS PARTICIPATED AS PART OF THE DIVISION IN JOINT READINESS EXERCISE BRIM FROST 87 IN ALASKA. BOTH THE DIVISION AND THE BRIGADE BENEFITTED FROM THE EXERCISE. THE DIVISION GOT PRACTICE, FOR THE FIRST TIME, IN EXERCISING COMMAND AND CONTROL OVER THREE BRIGADES, WHILE THE BRIGADE HAD THE OPPORTUNITY, FOR THE FIRST TIME, TO OPERATE AS PART OF ITS WARTIME HIGHER HEADQUARTERS. GENERAL ADAMSON AND I HAD THE OPPORTUNITY, DURING BRIM FROST, TO DISCUSS HIS PLAN FOR THE BRIGADE'S ANNUAL TRAINING IN AUGUST AT FORT MCCOY, WISCONSIN. WE ARE PREPARING NOW TO SUPPORT THAT TRAINING. AS A MATTER OF FACT, MY ASSISTANT DIVISION COMMANDER FOR MANEUVER AND OTHER MEMBERS OF MY STAFF ATTENDED THE BRIGADE'S PRE-ANNUAL TRAINING CONFERENCE THIS PAST WEEKEND. FORSCOM HAS FUNDED THE DIVISION TO SUPPORT THE ROUNDOUT RELATIONSHIP TO INCLUDE ANNUAL TRAINING SUPPORT, AND WE INTEND TO SUPPORT IT WITH ALL THE RESOURCES AT OUR DISPOSAL.

THE THIRD, AND PROBABLY MOST IMPORTANT ADVANTAGE OF THE ROUNDOUT RELATIONSHIP IS THAT THE BRIGADE HAS THE SAME RESOURCE PRIORITY AS THE DIVISION. THE BENEFITS TO BOTH UNITS ARE OBVIOUS.

IN CONCLUSION, I BELIEVE THE TOTAL ARMY IS JUST THAT - A TOTAL FORCE THAT CAPITALIZES ON THE READINESS EDGE THAT IS POSSIBLE WITH ACTIVE UNITS AND THE ECONOMIES GAINED IN USING OUR CITIZEN SOLDIER UNITS. WHEREAS IN THE FUTURE THE 205TH WILL CONSTITUTE ONE-THIRD OF THE TOTAL MANEUVER STRENGTH OF THE DIVISION, RIGHT NOW, TODAY, IT CONSTITUTES ONE-HALF OF OUR TOTAL MANEUVER STRENGTH. I HAVE GREAT CONFIDENCE IN THE CURRENT AND FUTURE ABILITIES OF THE OFFICERS AND SOLDIERS OF THE 205TH AND IN THEIR ABILITY TO FIGHT AND WIN AS PART OF THE SIXTH INFANTRY DIVISION.

5TH INFANTRY DIVISION (MECHANIZED)

STATEMENT OF MAJOR GENERAL KENNETH C. LEUER, USA, COMMANDER OF THE 5TH INFANTRY DIVISION (MECHANIZED) AT FORT POLK, LA

Chairman STENNIS. Next is Major General Kenneth C. Leuer, Commanding General, 5th Infantry Division.

General LEUER. Sir, I have submitted a statement and I would like to read from that statement in a condensed version.

Chairman STENNIS. All right.

You would like, then, to have the entire statement put into the record. Please emphasize what parts you wish.

Without objection, it is so ordered.

Please proceed.

General LEUER. I am Major General Kenneth C. Leuer. I am the Commander of the 5th Infantry Division, Mechanized, at Fort Polk, Louisiana.

Nearly one-third of my division's combat power is composed of Roundout units: the 256th Infantry Brigade, Louisiana National Guard, and the 2d Battalion of the 152d Armor from the Alabama National Guard.

My division is also in partnership with four other brigades and three separate battalions. We are also affiliated with two companies.

These non-Roundout units are spread over an eight-State area.

I have been involved with the Capstone Program since 1975. Examples of my past affiliations have included the 48th Infantry Brigade in Georgia, the 40th Infantry Division in California, the 53d Infantry Brigade in Florida, and the 92d Infantry Brigade in Puerto Rico.

Additionally, as the Deputy Chief of Staff for Operations in Korea, I worked very closely with Reserve component units when they participated in the annual "Team Spirit' exercises.

The 256th Brigade is our 3d Brigade, and the 2d Battalion, 152d Armor is Roundout to my 2d Brigade. It is my responsibility to train these units in peace and to lead them in war, and I accept this responsibility.

I would take my Roundout units to war tomorrow, if necessary.

However, it is also my responsibility to choose appropriate missions for these units based upon their current level of tactical proficiency. An example of my confidence in their ability to wage war is evidenced by the fact that I have had Roundout battalions participate in three of the last five divisional rotations that my division has had to the National Training Center at Fort Irwin, California.

Their performance there was superb and strengthened my conviction that they are capable of fighting and winning on today's battlefield.

My confidence in my Roundout units is such that my division's next rotation to the National Training Center in August will be commanded and controlled by our Third Brigade, the 256th Infantry Brigade.

As the commanding headquarters, they will exercise control of their armored battalion, their field artillery battalion and their support battalion. They will also command an Active infantry battalion from the division, and several Active units which provide combat support and combat service support to all of my brigades.

What is exceptional about this is that this will be the first time that a brigade headquarters from the Reserve component will serve as the brigade level command and control at the National Training Center.

In closing, I want to emphasize that we believe totally in the integration of Roundout units with the Active units, and that it is essential to our national defense. All our efforts are aimed at demonstrating proficiency and working to the proficiency necessary to win on the battlefield.

Thank you, sir.

[The prepared statement of General Leuer follows:]

PREPARED STATEMENT OF MAJ. GEN. KENNETH C. LEUER

Commander of the 5th Infantry Division (Mech) at Fort Polk, Louisiana

Good morning. I am Major General Kenneth C. Leuer. I am the commander of the 5th Infantry Division (mechanized) at Fort Polk, Louisiana. Nearly one-third of my division's combat power is composed of Roundout units: the 256th Infantry Brigade, Louisiana National Guard, and the 2d Battalion of the 152d Armor from the Alabama National Guard. My division is also in partnership with four brigades, three separate battalions. We are also affiliated with two companies. These non-Roundout units are spread over an 8-State area.

CREDENTIALS

I have been affiliated with the Capstone Program since 1975. Examples of my past affiliations have included the 48th Infantry Brigade in Georgia, the 40th Infantry Division in Californa, 53d Infantry Brigade in Florida, and the 92d Infantry Brigade in Puerto Rico. Additionally, as the deputy chief of staff for operations in Korea, I worked closely with Reserve component units when they participated in the annual "Team Spirit" exercises.

ASSESSMENT

The 265th Brigade is our 3d Brigade, and the 2d Battalion, 152d Armor is Roundout to my 2d Brigade. It is my responsibility to train them in peace and lead them in war. I accept this responsibility. I would take my Roundout units to war tomorrow if necessary. However, it is also my responsibility to choose appropriate missions for them based upon their current level of tactical proficiency. An example of my confidence in their ability to wage war is evidenced by the fact that I have had Roundout battalions participate in three of the last five divisional rotations to the National Training Center at Fort Irwin, California. Their performance there was superb and strengthened my conviction that they are capable of fighting and winning on today's battlefield. My confidence in my Roundout units is such that my division's next rotation to the National Training Center in August will be commanded and controlled by our 3d Brigade, the 256th Infantry Brigade. As the commanding headquarters, they will exercise control of their armored battalion, field artillery battalion, and support battalion. They will also command an Active infantry battalion and several Active units which provide combat support and combat service support to all of my brigades. This will be the first time that a brigade headquarters from the Reserve component will serve as the brigade level command and control at the National Training Center.

The progress and success we have gained in building the fighting capability of my Roundout units is founded on several principles:

A. Select and train on the few, most critical tasks that will provide the greatest payoff in combat.

B. Train on the selected tasks until all standards are achieved. This breeds confidence in self and unit as well as the required proficiency to win.

C. Start early to plan the major training periods. Mutually agree to the tasks to be trained and the standards to be achieved. This effort builds trust and confidence within the division.

D. Feedback results daily during major training periods. This lets the unit know where they stand and also affords the opportunity to build upon success.

It does not stop here. I ensure that they are included as members of the 5th Division's family in all that we do, from honing our fighting skills to attending our social events.

SHORTCOMINGS

While we have made great strides in improving the training posture of our Roundout units, this concept is not without shortcomings. Modernization of Roundout units comes at the expense of missed training opportunities. While it is true that the units receive training to operate the new equipment, it is not training in support of their war-fighting skills. Modernization, however, is not the major problem facing my Roundout units. The greatest shortcoming of Roundout unit training is sustaining maintenance capabilities. While I fully understand the maintenance concept utilized by the Reserve components, if I were to go to war with my division tomorrow, I have concern over my Roundout units' ability to maintain their equipment in combat.

In closing, I want to emphasize that the total integration of our Roundout units is essential to the defense of our country. All of their efforts must be aimed at demonstrating proficiency in the missions critical to win on the battlefield.

Thank you.

155TH SEPARATE ARMORED BRIGADE

STATEMENT OF BRIGADIER GENERAL SAMUEL E. FLEMING, ARNGUS, COMMANDER, 155TH SEPARATE ARMORED BRIGADE, ARMY NATIONAL GUARD, MISSISSIPPI, MSARNG

Chairman STENNIS. Thank you. General Fleming, that brings us to you, sir. You are Commanding General, 155th Armor Brigade.

General FLEMING. Thank you, sir. I have a prepared statement and I would like for it to go on record, as prepared.

Chairman STENNIS. All right.

Your prepared statement will be admitted into the record in full, and you may emphasize such paragraphs as you wish.

General FLEMING. Thank you, sir.

Mr. Chairman, distinguished members of the committee, I am Brigadier General Samuel E. Fleming, Jr., Assistant Division Commander of the First Cav, that is the Reserve component, and former Commander of the 155th Armored Brigade, Mississippi Army National Guard.

Certainly I am pleased to discuss our Active Guard Roundout Program, being the first brigade that was so honored with the M1 tank and the Bradley fighting vehicle plus the other armaments that go with it.

At this time, I will read my brief statement, as prepared.

Roundout with the 1st Cavalry Division and the associated force modernization of the 155th Armored Brigade will yield a Reserve component maneuver force of unprecedented combat readiness. The magnitude of our conversion to a heavy divisional brigade with the newest equipment carried with it a significant short-term degradation of unit readiness. We are approaching the point now where that short-term degradation will be overridden by technical and tactical proficiency like we have never before experienced. Individual soldiers on tank and Bradley crews are highly skilled, as we evolve from the academic world of new equipment training into an effective, tactical maneuver force.

The 1st Cavalry Division is helping with this effort by including the Reserve component soldiers in divisional exercises, and we have participated in numerous exercises with the 1st Cavalry Division.

While we experienced a temporary decline in readiness of combat units, we have improved significantly in the areas of command and control, combat support and combat service support.

Our artillery battalion, equipped with Tacfire and Firefinder radar, has successfully undergone an external Army Training and Evaluation Program. These were administered during annual training, 1986, at Fort Hood by the 1st Cavalry Division.

Our target dates to regain combat readiness at the tank and Bradley platoon level is summer of 1987. I am most comfortable at this point that these objectives will be met.

With the excitement and challenges of Capstone, Roundout, and force modernization, brigade strength has been maintained. Although the process has been demanding on the soldier, the employer, and the family, we have been able to carefully balance military demands with external environmental demands. I feel that we have avoided the saturation point and can maintain current strength levels of 95 to 105 percent in the coming years. We can maintain this posture as long as resources are available to carry out our command programs of improving and sustaining proficiency within the constraints of time.

Sir, that ends my prepared statement.

[The prepared statement of General Fleming follows:]

PREPARED STATEMENT OF BRIG. GEN. SAMUEL E. FLEMING

COMMANDER, 155TH SEPARATE ARMORED BRIGADE, ARMY NATIONAL GUARD, MISSISSIPPI

Mr. Chairman and distinguished members of the committee, I am Brigadier General Samuel E. Fleming, Jr., commander of the 155th Separate Armored Brigade, Mississippi Army National Guard. I am pleased to appear before you to discuss the Active/Guard Roundout Program.

At this time I have a brief statement I would like to present to the committee.

Roundout with the 1st Cavalry Division and the associated force modernization of the 155th Armored Brigade will yield a Reserve component maneuver force of unprecedented combat readiness. The magnitude of our conversion to a heavy divisional brigade with the newest equipment carried with it a significant short-term degradation of unit readiness. We are approaching the point now where that short-term degradation will be overridden by technical and tactical proficiency like we have never before experienced. Individual soldiers on tank and Bradley crews are highly skilled, as we evolve from the academic world of new equipment training into an effective tactical maneuver force. The 1st Cavalry Division is helping with this effort by including Reserve component soldiers in divisional exercises.

While we experienced a temporary decline in readiness of combat units, we have improved significantly in the areas of command and control, combat support, and combat service support.

Our artillery battalion, equipped with Tacfire and Firefinder radar, has successfully undergone an external Army training and evaluation program [ARTEP]. These were administered during annual training 1986 at Fort Hood, TX, by the 1st Cavalry Division.

Our target dates to regain combat readiness at the tank and Bradley platoon level is summer 1987. I am comfortable at this point that these objectives will be met.

With the excitement and challenges of Capstone, Roundout, and force modernization, brigade strength has been maintained. Although the process has been demanding on the soldier, the employer, and the family, we have been able to carefully balance military demands with external, environmental demands. I feel that we have avoided the saturation point and can maintain current strength levels of 95–105 percent in the coming years. We can maintain this posture as long as resources are available to carry out our command programs of improving and sustaining proficiency within the constraints of time.

BRIG. GEN. SAMUEL E. FLEMING, JR., COMMANDER, 155TH SEPARATE ARMORED BRIGADE, MISSISSIPPI ARMY NATIONAL GUARD

General Fleming began his military career when he enlisted in the Mississippi Army National Guard on February 24, 1947. He received a direct appointment as a second lieutenant on January 13, 1951, after completion of the Ten Series Army Extension Course and was assigned as Athletic and Recreation Officer, 31st Division Artillery. He entered on active duty in January 1951 and was assigned as Aide, 31st Division Artillery. From November 1951 through January 1953, he served with the 114th Field Artillery Battalion as Reconnaissance and Survey Officer, Battery Executive Officer, and Personnel Officer. On July 16, 1952, he was promoted to first lieutenant. From January 1953 through July 1954, he served as Adjutant, 31st Division Artillery. On January 18, 1954, he was promoted to captain. He returned to the Inactive National Guard until September 1956, when he became a battery commander, 114th Field Artillery Battalion. In May 1959, he was assigned as headquarters and service company commander and then became adjutant, 750th Tank Battalion. From September 1959 through May 1963, he served as S1 (Personnel) and executive officer, 2d Reconnaissance Squadron, 198th Armor. He was assigned as executive officer, 1st Squadron, 98th Cavalry and 2d Battalion, 198th Armor. On January 4, 1963, he was promoted to major.

In October 1969, he was assigned as Commander, 2d Battalion, 198th Armor and promoted to lieutenant colonel on October 9, 1969. From September 1975 through September 1978, he served as Executive Officer, 155th Armored Brigade (Separate). On

January 11, 1979, he was promoted to colonel and became Deputy Commander, 155th Armored Brigade (Separate). He received Federal recognition as a brigadier general of the line on 19 August 1983 and was assigned as Commander, 155th Armored Brigade (Separate). In November 1984, he was redesignated as Assistant Division Commander, 1st Cavalry Division.

General Fleming has received the following awards and decorations: Meritorious Service Medal with Oak Leaf Cluster, Army Commendation Medal with Oak Leaf Cluster, National Defense Service Medal, Armed Forces Reserve Medal, Army Reserve Components Achievement Medal, and Army Service Ribbon.

48TH INFANTRY BRIGADE (MECHANIZED)

STATEMENT OF BRIGADIER GENERAL WILLIAM K. McDANIEL, JR., ARNGUS, COMMANDER, 48TH INFANTRY BRIGADE (MECHANIZED), ARMY NATIONAL GUARD, GEORGIA, GAARNG

ROUNDOUT PROGRAM

Chairman STENNIS. Gentlemen, we will continue to proceed with this format.

General McDaniel, do you have a prepared statement?

General McDANIEL. Yes, sir.

Chairman STENNIS. Would you like to put it into the record?

General McDANIEL. Yes, sir.

Chairman STENNIS. You may do so and you may emphasize whichever paragraphs you wish.

Please proceed.

General McDANIEL. Mr. Chairman and distinguished members of the committee, I am Brigadier General Ken McDaniel, Commander of the 48th Mechanized Infantry Brigade, Georgia Army National Guard.

My brigade is the Roundout brigade to the 24th Mechanized Infantry Division, which is located at Fort Stewart. I am pleased to appear before you to discuss the Active/Guard Roundout program.

My brigade has a headquarters company, a cavalry troop, an engineer company, an armored battalion, two mechanized infantry battalions, a field artillery battalion, and a forward support battalion, which constitutes almost one-third of the combat power of the 24th Division.

All of my units are scheduled to mobilize and deploy as the 3d Brigade of the 24th.

Upon mobilization, I would become an Assistant Division Commander, and my Deputy Commander would assume command of the brigade.

Our Roundout relationship with the 24th began in the summer of 1975. When we launched this venture, the senior leadership of both the Active component and the Army National Guard recognized that the key factor involved for a successful endeavor was mutual acceptance that our National Guard Brigade was now an integral part of an Active Army Division.

The division energetically pursued its Roundout role by becoming deeply involved with us in the planning and conduct of training. The division commander had a vested interest to ensure that the 48th trained to the Army standard.

We started at the individual soldier level and proceeded to the development of leaders, staff training, unit training, tank and artillery gunnery, and combat service support. We have never deviated from these practices in training.

IMPROVEMENT OF READINESS POSTURE

From the beginning of Roundout, the readiness posture of the 48th Brigade has steadily improved. I have witnessed this firsthand during my several years as a Deputy Commander and during the last 3 years as a Commander of the brigade.

I am convinced that much of this progress can be directly attributed to the Roundout program.

For the 24th Division and the 48th Brigade, Roundout is working. We are resourced and equipped with the most modern equipment at the same priority as the division.

For example, we were the first Reserve component unit to field the M60A3 tank, the improved TOW vehicle, and Tacfire in the artillery.

We have just completed the fielding of the M1 Abrams tank and are currently fielding the Bradley Fighting Vehicle in our cavalry troop and mechanized infantry battalions.

In 1983, we had the First Reserve Component Combat Battalion to undergo a rotation through the National Training Center. Since that time, we have had two mechanized infantry battalions, two artillery firing batteries, our engineer company and numerous support personnel who have trained at the National Training Center.

The fielding of new equipment and the training of our units at the National Training Center are direct results of our Roundout status and have required the brigade to intensify training to a much higher level.

The 24th Division has provided invaluable assistance in the fielding of new equipment and our trainups for the National Training Center rotation. The division and the brigade have made it a practice to interchange tactical command and control responsibilities during major training exercises.

For example, the division furnished the brigade command and control structure during our initial National Training Center rotations.

In 1989, my brigade will provide the command and control headquarters for the train-up in the National Training Center rotation of Active units from the 24th Division. The 48th Brigade has commanded 24th Division Battalions during joint training exercises, such as Bold Eagle.

Last month, I was the acting commander of the 24th Division during a major portion of the joint training exercise at Fort Stewart.

Earlier, I stated that mutual acceptance is the key to a successful Roundout program. As we worked and trained with the 24th, as our soldiers and leaders in squad, platoon and company levels have shared the same challenges and hardships in the field, I believe that we, in the Guard, have earned the professional respect and the confidence of our Active duty counterparts.

BENEFITS OF ROUNDOUT PROGRAM

As a field commander, I strongly support continuing the Roundout Program. The resources that have come to the 48th as a result of Roundout have made it possible for us to equip, train, and maintain to the Army standard.

I think here is a real bonus of Roundout: it becomes truly a total Army effort instead of "we" and "they." Roundout causes the Guard unit to reach out and attempt things it wouldn't try before. Our successful National Training Center rotations are the real proof of what the 48th Brigade has been able to achieve under Roundout.

The National Training Center force-on-force exercises are about as close to actual combat as you can make a field training exercise, and our units have done very well in comparison to Active battalions.

Finally, even though we have long since gone beyond the traditional 39-day Reserve component training framework, with our officers averaging about 70 training days and our enlisted personnel about 50 to 60 training days a year, we have still been able to maintain strength, which is currently over 100 percent of authorized strength.

So long as we continue to receive the Roundout resourcing and the solid mutual backing of our state adjutant general and the 24th Division Commander, I see even better things ahead for the 48th Brigade as a result of Roundout.

Thank you.

[The prepared statement of General McDaniel follows:]

PREPARED STATEMENT OF BRIG. GEN. WILLIAM K. MCDANIEL, JR.

Commander, 48th Infantry Brigade (Mechanized)
Georgia Army National Guard

MR. CHAIRMAN AND DISTINGUISHED MEMBERS OF THE COMMITTEE, I AM BRIGADIER GENERAL KEN MCDANIEL, COMMANDER 48TH MECHANIZED INFANTRY BRIGADE, GEORGIA ARMY NATIONAL GUARD. I'VE BEEN IN THIS POSITION OVER THREE YEARS. MY BRIGADE IS THE ROUNDOUT BRIGADE TO THE 24TH INFANTRY DIVISION, WHICH IS LOCATED AT FORT STEWART, GEORGIA. I AM PLEASED TO APPEAR BEFORE YOU TO DISCUSS THE ACTIVE/GUARD ROUNDOUT PROGRAM.

AT THIS TIME I HAVE A BRIEF STATEMENT WHICH I WOULD LIKE TO PRESENT TO THE COMMITTEE.

THE 48TH CONTAINS A HEADQUARTERS COMPANY, A CALVARY TROOP, AN ENGINEER COMPANY, AN ARMOR BATTALION, TWO MECHANIZED INFANTRY BATTALIONS, A FIELD ARTILLERY BATTALION, AND A FORWARD SUPPORT BATTALION, ALL OF WHICH ARE SCHEDULED TO MOBILIZE AND DEPLOY AS THE 3RD BRIGADE OF THE 24TH. UPON MOBILIZATION, I WILL BECOME THE ASSISTANT DIVISION COMMANDER (SUPPORT), AND MY DEPUTY WILL ASSUME COMMAND OF THE BRIGADE.

OUR ROUNDOUT RELATIONSHIP WITH THE 24TH BEGAN IN THE SUMMER OF 1975. WHEN WE LAUNCHED THIS VENTURE, THE SENIOR LEADERSHIP OF BOTH THE ACTIVE COMPONENT AND THE ARMY NATIONAL GUARD RECOGNIZED THAT THE KEY FACTOR INVOLVED IN A SUCCESSFUL ENDEAVOR WAS MUTUAL ACCEPTANCE THAT OUR NATIONAL GUARD BRIGADE WAS NOW AN INTEGRAL PART OF AN ACTIVE ARMY DIVISION.

THE DIVISION ENERGETICALLY PURSUED ITS ROUNDOUT ROLE BY BECOMING DEEPLY INVOLVED IN THE PLANNING AND CONDUCT OF OUR

TRAINING. THE DIVISION COMMANDER NOW HAD A VESTED INTEREST TO ENSURE THAT THE 48TH TRAINED TO THE ARMY STANDARD, STARTING AT INDIVIDUAL SOLDIER LEVEL, AND PROCEEDING TO DEVELOPMENT OF LEADERS, STAFF TRAINING, COLLECTIVE TRAINING, TANK AND ARTILLERY GUNNERY, AND COMBAT SERVICE SUPPORT. WE HAVE NEVER DEVIATED FROM THIS POLICY.

DURING THE ENSUING YEARS THE READINESS POSTURE OF THE 48TH BRIGADE HAS STEADILY IMPROVED. I AM CONVINCED THAT MUCH OF THIS PROGRESS CAN BE DIRECTLY ATTRIBUTED TO THE ROUNDOUT PROGRAM.

IN THE CASE OF THE 24TH DIVISION AND THE 48TH BRIGADE, THIS PROGRAM IS WORKING. WE ARE RESOURCED AND EQUIPPED AT THE SAME PRIORITY AS OUR SPONSOR DIVISION. WE WERE, FOR EXAMPLE, THE FIRST RESERVE COMPONENT UNIT TO FIELD THE M60A3 TANK, THE IMPROVED TOW VEHICLE, AND TACFIRE. WE HAVE JUST COMPLETED THE FIELDING OF THE M1 ABRAMS TANK AND ARE CURRENTLY FIELDING THE BRADLEY FIGHTING VEHICLE IN OUR CAV TROOP AND MECH BATTALIONS.

IN 1983, WE HAD THE FIRST RESERVE COMPONENT COMBAT BATTALION TO UNDERGO A ROTATION THROUGH THE NATIONAL TRAINING CENTER. SINCE THEN OUR TWO REMAINING MANEUVER BATTALIONS, TWO ARTILLERY FIRING BATTERIES, OUR ENGINEER COMPANY, AND NUMEROUS SUPPORT PERSONNEL HAVE ALSO UNDERGONE TRAINING AT THE NATIONAL TRAINING CENTER.

THE FIELDING OF NEW EQUIPMENT AND ROTATIONS OF OUR UNITS TO THE NATIONAL TRAINING CENTER ARE DIRECT RESULTS OF OUR ROUNDOUT STATUS AND HAVE REQUIRED THE BRIGADE TO INTENSIFY TRAINING TO A MUCH HIGHER LEVEL. THE 24TH DIVISION HAS PROVIDED INVALUABLE ASSISTANCE IN THE FIELDING OF NEW EQUIPMENT AND FURNISHED THE COMMAND AND CONTROL STRUCTURE AND STRINGENT EVALUATIONS FOR THE TRAIN-UP OF OUR UNITS FOR THE NTC ROTATIONS.

MY BRIGADE WILL PROVIDE THE COMMAND AND CONTROL HEADQUARTERS FOR THE TRAIN-UP AND ROTATION OF ACTIVE UNITS FROM THE 24TH DIVISION

SCHEDULED FOR 1989. THE POINT HERE...WE HAVE MADE IT A PRACTICE TO INTERCHANGE TACTICAL COMMAND AND CONTROL RESPONSIBILITY DURING MAJOR TRAINING EXERCISES. FOR EXAMPLE, THE 48TH BRIGADE HEADQUARTERS HAS HAD COMMAND AND CONTROL OF ACTIVE ARMY BATTALIONS DURING JOINT TRAINING EXERCISES. LAST MONTH I WAS THE ACTING COMMANDER OF THE 24TH DIVISION DURING A MAJOR PORTION OF A JOINT TRAINING EXERCISE.

EARLIER I STATED THAT MUTUAL ACCEPTANCE IS THE KEY TO A SUCCESSFUL ROUNDOUT PROGRAM. AS WE HAVE WORKED AND TRAINED WITH THE 24TH, AS OUR LEADERS AND SOLDIERS IN COMPANIES, PLATOONS, AND SQUADS HAVE SHARED THE SAME CHALLENGES AND HARDSHIPS IN THE FIELD, I BELIEVE WE IN THE GUARD HAVE EARNED THE PROFESSIONAL RESPECT AND CONFIDENCE OF OUR ACTIVE DUTY COUNTERPARTS.

AS A FIELD COMMANDER, I STAUNCHLY SUPPORT CONTINUING THE ROUNDOUT PROGRAM. THE RESOURCES THAT HAVE COME TO THE 48TH AS A RESULT OF ROUNDOUT HAVE MADE IT POSSIBLE FOR US TO EQUIP, TRAIN, AND MAINTAIN TO THE ARMY STANDARD.

HERE'S THE BEAUTY OF ROUNDOUT. IT BECOMES A "WE" EFFORT INSTEAD OF "US" AND "THEM." ROUNDOUT CAUSES THE GUARD UNIT TO REACH OUT AND ATTEMPT THINGS IT WOULDN'T TRY BEFORE. OUR SUCCESSFUL NTC ROTATIONS ARE THE REAL PROOF OF WHAT THE 48TH BRIGADE HAS BEEN ABLE TO ACHIEVE UNDER ROUNDOUT. THE NATIONAL TRAINING CENTER FORCE-ON-FORCE EXERCISES ARE ABOUT AS CLOSE TO ACTUAL COMBAT AS YOU CAN MAKE A FIELD TRAINING EXERCISE. THE NTC IS SO DEMANDING IN FACT THAT THE MERE THOUGHT OF GOING THERE SENDS CHILLS DOWN THE SPINE OF THE MOST SEASONED BATTALION COMMANDER. THOUGHTS OF WAR AND MOBILIZATION MAY BE NEBULOUS AND ABSTRACT; THINKING ABOUT WHAT IS GOING TO HAPPEN TO YOU AT NTC IS NOT.

AND, FINALLY, EVEN THOUGH WE HAVE LONG SINCE GONE BEYOND THE TRADITIONAL 39-DAY PER YEAR RESERVE COMPONENT TRAINING FRAMEWORK, WITH OFFICERS AVERAGING ABOUT 70 TRAINING DAYS AND OUR ENLISTED

PERSONNEL ABOUT 50 TRAINING DAYS A YEAR, WE HAVE STILL BEEN ABLE TO MAINTAIN STRENGTH, WHICH IS CURRENTLY OVER 100%. SO LONG AS WE CONTINUE TO RECEIVE THE ROUNDOUT RESOURCING AND THE SOLID MUTUAL BACKING OF OUR STATE ADJUTANT GENERAL AND THE 24TH DIVISION COMMANDER, I SEE EVEN BETTER THINGS AHEAD FOR ROUNDOUT.

General McDaniel began his military career on February 21, 1949, when he enlisted in the Georgia Army National Guard. He received a direct appointment as a second lieutenant, Infantry, on November 3, 1953, and assigned as a Platoon Leader, 122d Infantry. In November 1955, he became as a Platoon Leader, 163d Tank Battalion and was promoted to first lieutenant on November 2, 1956. He was assigned as a Platoon Leader from July 1959 through May 1962 and then served as a Company Executive Officer, 2d Battalion, 108th Armor. In April 1963, he was assigned as Assistant S2 (Intelligence), 3d Brigade, 48th Armored Division and on May 20, 1963, was promoted to captain. With the 3d Brigade, 48th Armored Division until July 1966, he served as Liaison Officer and Assistant S3 (Operations and Training). He was assigned as a Company Commander, 4th Infantry Battalion and in April 1971, became S3, 1st Battalion, 108th Armor. On June 2, 1971, he was promoted to major.

He served as Assistant G3, Headquarters and Headquarters Detachment, Georgia Army National Guard until November 5, 1976, when he was promoted to lieutenant colonel. He was assigned as Readiness Officer, Headquarters and Headquarters Detachment until October 1979 and then served as Deputy Brigade Commander, 48th Infantry Brigade (Mechanized). On November 5, 1979, he was promoted to colonel. From September 1981 through October 1982, he served as Deputy Chief of Staff, Headquarters and Headquarters Detachment and then became Chief, Training Branch, Headquarters, State Area Command. In January 1983, he was assigned as Deputy Chief of Staff, Operations, Headquarters, State Area Command and has served as the Commander, 48th Infantry Brigade (Mechanized) since November 1983. On February 29, 1984, he received Federal recognition as a brigadier general of the line.

General McDaniel has received the following awards and decorations: Meritorious Service Medal, Armed Forces Reserve Medal, Army Reserve Components Achievement Medal, Army Service Ribbon, and Army National Guard Recruiter Badge.

GENERAL QUESTIONING

Chairman STENNIS. Thank you.

Gentlemen, that concludes the statements of all four of these commanding officers. We will have questions now by the membership. I will yield to the Senator from Tennessee, Mr. Sasser.

Senator SASSER. I have no questions, Mr. Chairman.

Chairman STENNIS. No questions at this time. All right.

Senator Stevens.

Senator STEVENS. Thank you very much.

205TH BRIGADE

Mr. Chairman, I am pleased to see Major General Corns here. Alaskans are very proud of the division coming to Alaska. We know that it has a fantastic history.

I just recently went up and spent time with General Lindsay and General Fields, when we had the Brim Frost Exercise, as you know, General Corns. I was very impressed with that. I am also keeping track of what is going on with the 205th.

Are you satisfied that you have enough contact with the 205th so that they really are going to be an effective Roundout brigade for your division?

General CORNS. Yes, sir, I am. I base that both on the experiences that you have heard reflected in testimony already here, which I have been generally aware of for a number of years, and on my personal experiences as Assistant Division Commander of the 7th Infantry Division at Fort Ord, CA, in which we had a Roundout brigade located in Oregon, up through fiscal year 1985, and had a directed training association with the 47th Infantry Division National Guard out of Minnesota, Wisconsin, Iowa, and Illinois.

Those involved some distances for travel, temporary duty of mobile training teams and coordination of commanders, and it is that experience that makes me confident that the visits, such as that of my Assistant Division Commander and my First Brigade Commander just this past weekend to Minnesota, to coordinate the annual training, and the follow-on mobile training teams that will take place between Alaska and Minnesota in the intervening period between now and August and then the support that we will provide to them in August—I am very confident that we will make that a viable relationship.

AIRLIFT LOCATION

Senator STEVENS. Where is their airlift located, the 205th?

General CORNS. We would anticipate that they would, in the light division mode, deploy out of the Minneapolis-St. Paul area, principally from the commercial airports.

Senator STEVENS. Do you contemplate any exercises in which there would be a full deployment of the 205th coming to Alaska, to see how much time it would take and what the problems would be in getting it up there?

General CORNS. We would hope so, sir.

We have met, General Adamson, the brigade commander and I, and he has had discussion with the deputy commanding general of the Fourth Army on what year we would anticipate being able to deploy the 205th for a major exercise. Activities right now would indicate that that would not be in fiscal year 1987, certainly, not fiscal year 1988 and probably not fiscal year 1989. So, fiscal year 1990 would be the year that we would target on doing something of that nature, and it is probably not in the cards to do it much sooner than that because they must reconvert into the light configuration. We will be working very closely with them to do that in the next two summer periods.

COMMAND AND CONTROL OF ROUNDOUT

Senator STEVENS. I think we all support the Roundout concept. But one of the problems that I am trying to get to is the question of command and control over that Roundout unit, that would join all of you, as I understand it, or some of you would join other units.

To what extent do you really have control over their training schedule, the determination of their deficiencies, both in terms of manpower and equipment?

Are you really given any full-time control over them until or prior to actual deployment with your forces?

General CORNS. My opportunity for influence is substantial, and I intend to have a lot of influence on their activities.

The first way I do that is by General Palastra's directed program, wherein, by mission analysis, I identify the tasks against which the brigade will train, and then, working closely with the Fourth Army Commander and Deputy Commanding General, which we have done telephonically, and I have done this by correspondence, we lay out the training emphasis that we think should be present during the inactive duty training periods, as well as the training effort that should occur during annual training.

We accomplish this in coordination with the CONUSA, in this case the Fourth Army and the brigade commander.

I am obliged by guidance through General Schwartzkopf, the I Corps Commander, who has concern for my division from a training and operations standpoint, and directly to General Palastra at Forces Command on materiel and personnel matters to surface problems that I see must be solved to insure that the 205th is made ready in the shortest time possible.

So I think the opportunities there for my influence are considerable, and I have to aggressively charge at them, and I intend to do so.

ALASKA DEPLOYMENT OF BRIGADE

Senator STEVENS. In my judgment, the real advantage of having your light division in Alaska is that it could be deployed with great rapidity either to the Far East or to NATO. I tried to bring in here the big polar projection map that has the routes that show that.

I am not sure that many of you live with polar projections the way we do, General Palastra. But there is no question about the feasibility of deployment either way through Alaska of the Minnesota Brigade.

The only thing that concerns me is whether that unit really is going to have the opportunity to be an effective participant in the training and in the integration of those people into your command structure in peacetime so that it will be an effective fighting unit in the event of war.

Do you think that you have enough in your schedule to assure that kind of contact between the field grade officers in your division and yourself, as far as the total awareness of the ability and deficiencies of this brigade to fold it in in the event of an emergency? You have to do it within 4 or 5 days, I understand.

General CORNS. Well, I believe that we do have the schedule and the opportunities to make them an effective part of the division.

The 50-man element that came up during "Brim Frost" was a command and control element under the brigade commander, which participated with us in a command post exercise role. That is so that we could be totally familiar with the procedures that we are going to be following in the event of combat.

I mentioned the annual training, which takes place in August. That will be preceded by a number of exchanges of visits and mobile training teams.

Shortly after that, I will conduct for the brigade a simulation exercise, which, again, is designed to cement very closely the division and the brigade staff, to encourage the use of common procedures and know fully what is expected by the division headquarters on the part of the brigade.

I am quite confident, as I relate it to future fiscal years and in particular to fiscal year 1990, that we will have at least battalion level participation in one of our major exercises, as we did, in fact, in fiscal year 1985.

DEPLOYMENT OF MARINE EQUIPMENT

Senator STEVENS. I am not being critical, now, General, but in my trip to the Pacific in December, we went to the Marines and asked them what kind of equipment they had and could they deploy it worldwide.

You have the potential of deploying either to Korea or to the NATO area. Will you have the equipment and the uniforms, the materiel to have that type of versatility in deployment, not only in the 6th Division, but in the 205th?

General CORNS. Well, speaking for the 6th Division Active component elements, as you probably know, we have 4 C-5A capable airfields next to the site of the two brigades within Alaska, which give us great capability for early response there.

With respect to the 205th Brigade, now and through the period of time that they are reorganized, I recognize that we will not be able simultaneously to deploy the two Active component brigades and the Roundout brigade, even if I were to have enough airlift to do that at one time.

I would accept, depending upon the scenario of an incident, the possibility that there may be some areas in which my Active component brigades would be ready before the Reserve component brigade. But I am reminded of the incident with respect to Grenada, wherein the 82nd Airborne Division, even though they led with some Special Operations Force Battalions, they dealt with that very effectively, and they used two of their three Active brigades. I am not arguing that the three Active brigade structure isn't more flexible; but there are, I think, many possible scenarios in which our ability to respond quickly with the two Active component brigades might match up with a delay in aircraft availability that would be more in keeping with the time that we have that Roundout brigade available to go.

Senator STEVENS. I am happy that you were able to come down to this hearing, and I hope that your organization is going to permit you to take a trip with me. I would like to go to the 205th and visit with them, and talk to those people, and make sure that this capability is there. I think it means a great deal to our people to know that that brigade is there and that it is capable of deploying not only in the event of an emergency in Korea or in NATO but also to deploy to defend Alaska itself.

I would like to plan that sometime along the line here before the year is out.

General CORNS. Yes, sir.

Senator STEVENS. Thank you very much, Mr. Chairman.

Chairman STENNIS. Thank you, Senator.

CAMP SHELBY

General Fleming, what do you use for training? I want to talk about Camp Shelby a little. Do you have any troops that train at Camp Shelby?

General FLEMING. Yes, sir. We have utilized Camp Shelby.

Chairman STENNIS. What about the activity there now? I have not been by there in a good long while. But I am interested in it.

General FLEMING. Yes, sir.

This is where we do all of our tactical training and our gunnery, and also the M60A3 school is at Shelby. I might mention that when we finished our NET, we had to provide the M60A3 with about 50 of our people who were quality people to help run this operation down there.

We felt good in the way that we had the people to help us in the region, as far as the training goes. But it had a slight effect on our individual units, especially two tank battalions.

Of course, it made some E–5's happy, with upward mobility.

Sir, we use Shelby almost every week. With 39 locations, that is the only place we can do adequate tac training, at Camp Shelby.

Chairman STENNIS. You have a vast area there to use for training—is that right?

General FLEMING. Yes, sir. We would rather be at Hood. The fields of fire are much better at Camp Hood than they are at Camp Shelby. You have a bunch of razorback ridges. But we have some good ranges at Shelby, and we are pleased with what we can do down there. Of course, Hood is 800 miles from us, you know.

Chairman STENNIS. Well, I remember way back, when we got the privilege of using, to some degree at least, a lot of acreage there that belonged to the National Forest. They gave you the benefit of using it for training.

Do you still use part of that forestry land?

General FLEMING. Yes, sir.

CAMP M'CAIN

Now, we have moved to Camp McCain, which is in the northern part of the State, to eliminate a lot of distance, as far as travel. We are going to be able to do some stuff up there, but it is going to be restricted. We might constrict company exercises, as it is kind of marginal for that.

Chairman STENNIS. You got to where there is a lot of travel involved, I know.

General FLEMING. Yes, sir. We have one group that goes 300 miles one way for tank training exercises on the weekend. So it is pretty difficult.

Chairman STENNIS. That's too far, yes.

Well, you have a big training center out in California, as I recall. I used to keep up with it, though I have not been there any time lately. Someone said that you didn't have enough room out there.

General FLEMING. Well, the only thing we have done in California is participated in exercises with the NTC, just like our sister brigade, over here [indicating], and we have pretty well been able to send people.

In fact, just last week we had 180 troops that worked with the First Brigade of the Cavalry Division. So this also gives us a good mesh.

Our people are not too much in awe, now, of the Active component, as they were when we were sandwiched together initially. We found out that we can do our thing, too.

It has really helped us. It really has.

NORTHERN MISSISSIPPI TRAINING

Chairman STENNIS. You mentioned Northern Mississippi. Is that training that you already have started there?

General FLEMING. Yes, sir. We have an area there where we can do everything except main gun firing. We cannot fire the main weapon at McCain. But, in fact, we are doing it right now. In fact, last week, I was at McCain myself. We are doing an awful lot of good training there that we could not do if we had not moved some equipment from Shelby to McCain in order to accommodate us up there.

Chairman STENNIS. General Temple, I note, too, that you have a lot to do with training.

You have some space out there in California. As I understand it, you moved out some at Hattiesburg, at Camp Shelby, which is all right with me. It needs to be moved if it is too far to make that other distance.

What I am saying is that maybe you could rightfully use Shelby in part to take care of your situation out there in California that I understand is running over. You don't have enough space out there.

What do you have to say about that, General?

General TEMPLE. I am unaware of a space limitation for training National Guardsmen in California.

As you know, we use Camp Roberts for one, Hunter Liggett, which is somewhat north of there. We still do some training at Fort Irwin. But, because of the impact of the National Training Center, it has severely constrained the types of things that we can do at Fort Irwin.

NATIONAL TRAINING CENTER

Chairman STENNIS. What I was really getting at here is the situation where the National Training Center—that is the name used in the California situation—where a lot of them don't have a chance to train there. That is what we are told. And it looks like they ought to have the benefit of it and not be discriminated against.

At the same time, you have some extra space there, at Camp Shelby which, with a little fixing up, could be restored to use.

General TEMPLE. Sir, you are absolutely right, insofar as the fact that Fort Irwin, much of it has been denied to the continual use of the California National Guard, because of National Training Center activities.

But, given the availability of Camp Shelby, there are a number of East Coast and Central American—well, I had better restate that—and States in the central part of our Nation, which need training areas that are far closer to Shelby than California is. California can very well use Gowan Field, and we are doing some work in Arizona to build up some ranges there.

I would prefer seeing those units on the East Coast, particularly in the northeast part of the United States and in those central sections of our country that do not have Active turning ranges going into Shelby rather than California. We are making provisions to satisfy the California requirements.

But there is an immense requirement in other places in our country that would become more cost effective going to Shelby.

Chairman STENNIS. That would be more cost effective than would Shelby?

General TEMPLE. It would be more cost effective going into Shelby than in many cases of what they are doing now, insofar as their training.

But I would not recommend that California go all the way to Mississippi to conduct their training.

PROGRAM AT SHELBY

Chairman STENNIS. Well, I know it was used at one time with great satisfaction, as I understood it, that is, Shelby was. I am not asking for any preference for Shelby. But you have a whale of a program here, and you may find headway with it.

General TEMPLE. As a matter of fact, Senator, we have made major contributions into the buildup of Shelby because it is such a valuable training area, particularly for the Southeast part of the United States. We would like to continue to use it.

As you may know, we are putting a regional maintenance training center at Camp Shelby and, eventually, a medical training center at Camp Shelby. And the facilities there are ideal for much of the training we are doing with the National Guard. But we would like to focus it on the Eastern part of the United States, for cost benefits principally.

Chairman STENNIS. Well, I don't want to try to take advantage of anything, to try to force you people to do things. I want to do things that are sound from your viewpoint. But Shelby has served you in lean years. I have been here during the lean years, too.

General TEMPLE. So have I, sir.

Chairman STENNIS. We took care of a lot of your people down there, maintaining in training. Some were training especially for the Guard.

I want to take a look at it now and make a judgment on it. And I want you to tell me what you found and what you think can be done.

General TEMPLE. Very well, sir.

Chairman STENNIS. Thank you very much.

Senator Stevens, do you have further questions?

Senator STEVENS. No, sir. But I want to join with you in supporting these people and what they are doing. I think it is the answer, in the long run, to some of our cost considerations, as far as deployment, and I know that many of these initiatives came from your past hearings, such as this.

So I look forward to working with you, Senator.

Chairman STENNIS. Well, as you know, you and I get along very well. We have shared a military assignment for a good while, and I have learned plenty from you.

We don't know how the money is going to last and how tight it will be when we go to fill in these blanks on your project. But you make mighty good witnesses. We can put that down for certain. And I am proud of what you are doing.

I have not been out into the field or anything like that, lately, and probably won't be going. But I have a feel for it and a special interest in it, and so forth.

Does anyone out here want to say anything further?

General FLEMING. Sir, I would like to say that I personally appreciate very much the opportunity for you to allow people from the field to come here and tell you exactly how it is. It's great as far as our association with the First Cavalry, and I have gone through three division commanders. It is a communications thing, and we think it is great.

Chairman STENNIS. Well, we feel like we can get the facts from you fellows. You are the ones who are on the job and who know what you are doing and who know what your requirements are, your real requirements. We depend on you to let us know.

This is, of course, not a giveaway shop that we are running. You do run pretty well what you get.

Let me say that there are certain other questions here that have not been covered yet. They are relevant, all right. But I think it would serve the purpose just as well if we put these in the record for the attention of our witnesses, to supply their answers.

Senator STEVENS. I have a few, too, Mr. Chairman, that I would like to submit.

Chairman STENNIS. All right. We will include yours in that group, too.

Without objection, then, the questions to which I referred will be included in the record, as will those of Senator Stevens, and you gentlemen will be the witnesses who will answer these questions. Do you understand that?

General CORNS. Yes, sir.

General LEUER. Yes, Mr. Chairman.

General FLEMING. Yes, Senator.

General McDANIEL. Yes, sir.

Chairman STENNIS. Let me ask Mr. Sullivan if there is anything further?

Mr. Sullivan. No, sir.

Chairman STENNIS. Do any members of our staff have anything to call to my attention or to the attention of the group?

[No response]

Chairman STENNIS. Gentlemen, I am very much pleased with the idea of your coming here and am very much pleased that I could get here to hear all of your testimony. It seems to me that you were doing a good job. You were prepared and did present this matter in its proper form.

This is not a matter of trying to favor one division at the expense of another, or anything like that or akin to it. This is a matter of preparedness.

We tried to carry it on that basis, exclusively, and I know that is what you are interested in, being prepared.

I would ask those of you who have testified if there is anything that you want to bring up or bring out, any point that you want to make or testify to further about these matters?

[No response]

Chairman STENNIS. Is there anything you want to put down now to recommend to us to make this Roundout Program work better? If so, we want you to put it down in black and white and put it into the record and let it speak for itself.

Are there any other matters now to come before the committee?

Mr. Sullivan. No, sir.

Chairman STENNIS. Everything was well prepared for this hearing, and I want to commend and thank the staff, Mr. Sullivan and others who worked with him in preparation for this hearing.

I want to thank our witnesses for coming here today and for coming prepared. That is what counts—preparation.

I hope you have not forgotten anything. But, if you have, you can still get it into the record, perhaps just by letting us know.

SUBMITTED QUESTIONS

The submitted questions referred to earlier will be inserted in the record at this point.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY CHAIRMAN STENNIS

ROUNDOUT BRIGADE EQUIPMENT

QUESTION: General Palastra: Why does the Army preposition wartime equipment for active units in a roundout division, but not for the roundout reserve/guard brigades? Doesn't this practice negate the advantages of roundout because reserve brigades cannot arrive in Europe or Korea until later than the active brigades from the same division?

ANSWER: Since 1978 the U.S. has had the policy objective of providing NATO ten divisions in theater by M+10. Prepositioning of materiel configured to unit sets (POMCUS) has become a prerequisite for achieving that goal. In order to focus scarce resources in the most efficient manner, [deleted.]

DISTRIBUTION PRIORITY

QUESTION. General Palastra, please explain how priorities are established within the active and reserve components for the distribution of equipment?

ANSWER. Priorities for personnel and equipment, regardless of component, are based on the unit's mission and arrival date in a theater. This system of priorities is grounded in the philosophy of "first to fight, first to be resourced." Resourcing the Army force structure in this way helps ensure that scarce assets are distributed properly according to mission requirements.

C3 COMPATIBILITY

QUESTION. General Palastra, how compatible are Guard and Reserve Command, Control and Communications with the Active Forces? Are communication equipment and management information systems compatible? How does the situation look for Roundout divisions?

ANSWER. Primary tactical communications means for Command and Control (C2) within FORSCOM units are Multichannel (line of sight), Tropospheric Scatter, Satellite, Frequency Modulated (FM) Combat Net Radio, and High Frequency (HF) equipment. The Army has a mix of four generations of tactical communications equipment in the area network: Army Area Communications Systems (AACOMS), Army Tactical Communications System (ATACS), Improved Army Tactical Communications System (IATACS), and a limited amount of the Joint Tactical Communications System (TRI-TAC). The preponderence of the IATACS and TRI-TAC equipment is in the active force. AACOMS equipment, which is in limited quantities within the Guard units, is compatible only with AACOMS equipment and is being phased out. The remaining three generations of equipment were to be used at different echelons within the Army, and, therefore, were never designed to be compatible except thru manual interfaces. Future communications equipment, i.e., Mobile Subscriber Equipment (MSE), the total TRI-TAC system, and Single Channel Ground and Airborne Radio System (SINCGARS), is being fielded under the total system concept. Both Active and Reserve components will be fielded concurrently on a Corps/Theater basis to ensure compatibility/interoperability. FORSCOM overall is currently short FM radios. It is expected that projected SINCGARS fielding will resolve this shortfall.

The Maneuver Control System (MCS), which has been designated as the baseline system of the Army's new tactical command and control architecture, will be fielded to units in all components.

One of the functional areas being incorporated into the Reserve Component Automation System is Mobilization Command and Control (MOB C2). A number of applications supporting MOB C2 concept (such as cross-leveling of personnel and equipment, training/readiness, finance, transportation, and decision support) have been developed and validated on the Developmental Army Mobilization and Readiness System. MOB C2 will use a common hardware/software architecture.

World Wide Military Command and Control System Entry System (WES) provides C2 support to both AC and RC activities.

The current fieldings of Tactical Army Combat Service Support System, Decentralized Automated Service Support System, and a unit level computer system are rapidly making management information systems compatible within our tactical units.

New fieldings take place in Roundout units at the same time as the fieldings in parent AC division. Current equipment in Roundout units is compatible with parent AC unit equipment.

FULL-TIME MANNING

QUESTION: General Temple, the Army Guard continues to request increases in full time manning -- especially manning by active duty Guard personnel (AGR's).

What readiness advantages are there to hiring AGR's instead of military technicians?

ANSWER: It is not simply a matter of relative readiness advantages of one form of full-time support versus another, but the appropriate use of the available components of full-time support. Both AGR's and technicians are necessary to maintain the readiness levels of the Army National Guard. We have asked for more AGR's because the Army National Guard mix-of-the-force plan, developed according to Congressional direction, calls for AGR positions to be mainly in Army National Guard units. A great many Army National Guard units have not received their required AGR position authorizations. Specifically, the Army National Guard is authorized approximately 74% of its full-time unit support requirements (60% AGR, 14% technician) in FY 87. AGR soldiers are best suited for Army National Guard units because they perform the same daily military duties during peacetime as they would in wartime, thus providing the necessary expertise for those actions required of rapidly mobilizing units. Finally, as the Defense Manpower Commission of 1976 and the Congress in 1979 noted, full-time soldiers in Army National Guard units simplify Army National Guard unit commanders' command and control authority. In this same regard the House Appropriations Committee in 1977 noted, "there is an inherent potential for undue union influence in the strictly military functions of the technicians resulting in a dilution of military command authority and adversely affecting the responsiveness and discipline of Guard and Reserve units." The Committee went on to state its concern that this influence might carry over after the Reserves were mobilized and could create a totally untenable and unacceptable condition in wartime. In my experience I am unaware of any union action or initiative affecting military technicians which was designed to improve unit effectiveness or to strengthen the military environment and relationships which contribute to combat capability. The General Accounting Office in 1985 examined the Army National Guard mix-of-the-force and recommended it for implementation throughout the Army Reserve Components.

ROUNDOUT HEARING - PERSONNEL ISSUES

QUESTION. General Ward, the Army Reserve and Guard continue to request increases in Full Time Manning — especially by Active Duty Guard and Reserve personnel (AGR's). What readiness advantages are there to hiring AGR's instead of civilian technicians?

ANSWER. Like Active Army soldiers, AGR's are already mobilized and will deploy with their units of assignment. There is no need for them to transition on M-Day nor for their families to become integrated into the Total Army Family Support Structure. Technicians and their families will be experiencing the same stress as other reservists on M-Day and many may not deploy with their unit of assignment. This will be a factor affecting how rapidly a unit mobilizes.

AGR's provide the commander with assignment and training flexibility. AGR's can be assigned anywhere and bring with them a compendium and continuity of civilian, reserve and active duty experience. Moreover, the average AGR works in excess of 50 hours per week (excluding drill weekends) without overtime pay or compensatory time off. Thus AGR's provides the commander with organizational flexibility that would otherwise not be available.

AGR's are not only fully qualified for their military assignment but they concentrate entirely on job proficiency and accomplishment. While Army Reserve technicians fulfill an important readiness support role, they also must concentrate on maintaining military proficiency as drilling reservists. This sometimes causes organizational conflicts during training assemblies with technicians trying to train in their military job while aspects of their civilian job require their attention.

Since AGR's execute a specified length of service agreement and are managed by one centralized personnel system commanders are guaranteed that key readiness positions are always fully manned. Reserve technicians who are "at will" civilian employees can leave at any time. Because their civilian and military careers are managed under separate and distinctly different personnel systems, the Army's ability to provide career progression and civilian professional development is tightly constrained, meanwhile, the commander's management capability to fully utilize his full time support in only the most critical readiness positions is limited to his AGR soldiers. Therefore, due to the various statutory and personnel management variables associated with technician employment, their readiness contribution is better utilized in administrative and maintenance functions that will either diminish or terminate upon mobilization.

FULL-TIME MANNING

QUESTION: What type of Guard units have the highest requirement for full-time manning?

ANSWER: Those Army National Guard units that are "first to fight" receive the highest priority for full-time manning. However, because of the condensation of mobilization and deployment dates for most Army National Guard units over the past several years, it is becoming questionable to prioritize Army National Guard units on a "first to fight" basis; such a rule may not provide enough discrimination to efficiently allocate full-time resources. In the future, it may become advantageous to begin to allocate full-time support resources to units based upon the substantial shortfall in full-time support that exists in mainline Army National Guard combat/combat support units which are committed to battle only a short time later than first to fight Army National Guard organizations.

ROUNDOUT HEARING - PERSONNEL ISSUES

QUESTION. What type of Guard/Reserve units have the highest requirement for full time manning?

ANSWER. As a general rule, those USAR units which, according to the Department of the Army Master Priority List (DAMPL) deploy or whose mission directly affects the deployment of other units have the highest priority for AGR full time manning. This fiscal year, DA directed Signal units, Aviation and RC combat electronic warfare intelligence (CEWI) units have the highest requirement for FTM. These units require specific functions be covered on a full time basis. Safety, operations and maintenance are critical functions which simply cannot be handled only two days a month. Aircraft upkeep, quality and safety inspections and support requirements demand full-time attention. Reserve Component CEWI units, many of which support divisional elements in the Active Component and the ARNG, possess high technology equipment which requires full-time maintenance on a day-to-day basis. The close support relationship with the RC CEWI to AC supported unit mandates a high level of MOS proficiency and equipment readiness. Many of the new CEWI MOS's require lengthy resident training to obtain mission proficiency, and continued job-related performance or frequent refresher training to maintain these unique and critical skills. To keep this level of proficiency, key positions in these units must be full-time.

To perform missions both support and operational full-time personnel are required. Both aviation and RC CEWI units participate day-to-day in support of exercises or operational missions to support AC units.

FULL-TIME MANNING

QUESTION: Why not simply assign more active duty Army personnel to rotations with the Guard -- wouldn't this procedure do more to facilitate the total force concept?

ANSWER: No. The Army National Guard has had substantial experience with active duty support in Army National Guard units, and has found such support is generally ineffective. The reasons for this ineffectiveness is twofold: first, Active

Component soldiers assigned to Army National Guard units often find themselves in locations far from Active Component facilities containing the support structure they enjoy as members of the Active service. For example, the average distance an AGR soldier (and, therefore, an Active Component soldier assigned to an Army National Guard organization) must travel one-way to an Active installation is 112.5 miles. Since the bulk of full-time support positions in Army National Guard units are relatively in the lower enlisted grades, assignment of Active Component soldiers to these positions in these locations has caused personal and financial hardships, and in some cases, disciplinary problems. Second, filling Army National Guard full-time support positions with Active Component soldiers has proven difficult. Experience has shown that it takes an average of 10 months to replace Active Component soldiers in Army National Guard units as opposed to only 3-5 weeks to replace AGR vacancies. These delays cause substantial injury to affected Army National Guard units' operational efficiency, which in turn limits the units' abilities to accomplish their day-to-day missions and maintain their expected level of readiness.

The frequent rotation of Active Component personnel through Reserve Component units is dysfunctional. It destroys continuity and jeopardizes cohesion within the unit. No evidence exists that Active Component personnel bring a higher degree of professionalism. Just the opposite, ARNG AGR personnel are trained to the same levels and in many instances higher levels than their Active Component counterparts. They attend the same resident courses scoring as well or higher in these courses as well as in various competitions conducted. Given the overseas training experiences accruing to the Guard, Guardsmen are now exposed to the same tactical and environmental training afforded regulars and, of equal importance, the experiences remain in the unit and are built upon along with future experiences which contribute to unit effectiveness. Total Force relationships are developed and sustained through both Basic and Advanced Individual Training, service schools, readiness groups, advisors, CAPSTONE, the Key Personnel Upgrade Program, and Overseas Deployment Training. There is much to be gained by the local recruiting of AGR personnel as opposed to the impersonal centralized assignment procedures. Evidence generated by components employing centralized selection and assignment have failed to achieve comparable results obtained by the Army National Guard and Air National Guard in readiness, performance, and retention.

ROUNDOUT HEARING - PERSONNEL ISSUES

QUESTION. Why not simply assign more Active Duty Army personnel to rotation with the Guard and Reserve — wouldn't this procedure do more to facilitate the total force concept?

ANSWER. The management of a Reserve unit consisting of citizen-soldiers presents a unique challenge. Upon mobilization, AC and RC jobs are the same; however, in peacetime, the management and organization of community-based Reserve units — given the limited training time available to meet AC-equivalent individual competency/unit readiness expectations--necessitates the development of RC-unique procedures, regulations, programs and systems with which Active Component soldiers simply are not familiar.

AC units are already mobilized, and train daily for what they will do in wartime. RC units are neither mobilized nor deployed in peacetime. They concentrate their attention on getting ready to mobilize and deploy. That's where they need the emphasis. Only a reservist who's grown up through the Reserve system can grapple with the "getting ready to mobilize and deploy" challenges and problems on a day-to-day basis.

Reserve expertise is simply not a part of the knowledge base of the Active Component (AC) soldier. It is not unusual for Active Component soldiers -- even after working with the Reserve Components for several years — to say "if I didn't work with AGR's, I wouldn't be able to fully understand the Reserve components and do my job".

The availability of AGR soldiers provides the essential link between the Active and Reserve Components to advance the Total Force. Because of his prior experience, as a drilling Reservist and as a full time support soldier on active duty the AGR soldier is able to understand and communicate the needs of the Reserve Component to the Active Component, and to identify, coordinate, obtain and utilize Active Component resources (instructors, equipment, etc). Through the AGR soldier, AC knowledge can be transferred to the Reserve Components and an essential cross-pollination between all elements of the Total Army takes place.

To be successful, the citizen-soldier must balance the demands of family, education, employment and his status as a mobilization-ready soldier. AGR soldiers understand this requirement, and bring to their assignments previous civilian experience which often makes them a more valuable mobilization asset. It is not unusual for an AGR soldier to have a combination of military and civilian education and experience which exceeds that of his Active Component contemporary, simply because he or she has had two careers.

The AGR soldier has fulfilled, even beyond the Army's initial expectations, a key role in improving the mobilization readiness of the Reserve Components. The infusion of AGR soldiers at critical points throughout the Army structure ensures a maximum return on the nation's Reserve investment. As a result, reservists are more ready to go to war as an integral part of the Total Army.

FULL TIME MANNING/AGR

QUESTION. The Army Reserve and Guard continue to request increases in Full Time Manning--especially manning by Active Duty Guard and Reserve Personnel (AGR's).

What Readiness advantages are there to hiring AGR's instead of Civilian Technicians?

What type of Guard/Reserve units have the highest requirement for Full Time Manning?

Why not simply assign more Active Duty Army Personnel to rotations with the Guard and Reserve---wouldn't this procedure do more to facilitate the Total Force Concept?

General Palastra, what are your views on this issue?

ANSWER. Senator Stennis, AGR soldiers in units assist the Reserve Component (RC) commander by performing a myriad of support tasks essential to unit operations. This permits unit members to concentrate on more mission-related unit and individual training. AGR soldiers are assigned to a unit and will deploy with that unit on mobiization. An AGR soldier works full-time in his military specialty doing the same military job in peacetime that he does in wartime.

Reserve Component units with early deployment dates, Rapid Deployment Force (RDF) missions, and those that roundout Active Component units receive priority for Full-Time Manning (FTM) support so that they can achieve the increased readiness levels required to meet critical mobilization and deployment criteria. Reserve Component units with highly technical, sophisticated equipment such as Military Intelligence, Aviation, Signal, Air Defense Artillery and selected Maintenance units, place the highest relative percentage demands on FTM resources so that they can meet operations, training, maintenance, and safety requirements. The percentage of FTM requirements to authorized strength levels in the total RC Force averages only eight percent. While some special situations require units to have higher percentages, FTM represents a very small element of the total RC Force. FTM assets form the solid core of these units and are absolutely essential to maintain the units' capability to train and to fulfill their wartime mission. Let me emphasize however, the Reserve Components currently have authorizations sufficient to fill only 52 percent of their overall AGR full-time manning requirements.

It is felt that RC full time support functions are best performed by Guardsmen and Reservists on Active Duty when coupled with other Total Army initiatives, e.g., Roundout (units from one component are used to complete another component's organization), Capstone (links RC units to a specific wartime mission and gaining Active Component (AC) command) and RC training with AC and vice versa. AGR soldiers can best perform the support tasks in RC units not because they are better qualified than AC soldiers but because they are citizen-soldiers, already acclimated to the RC environment. In addition, AGR soldiers build up a base of cumulative RC expertise that cannot be developed by AC soldiers in their normal career progression.

Today, approximately 2,000 AC soldiers serve in direct support of RC units. Many more AC soldiers serve in Readiness Groups, as Annual Training Evaluators, and on CONUSA and higher staffs, continuously interacting with RC soldiers and units on RC issues to enhance readiness of the total force. Additionally, Capstone and Roundout AC/RC relationships, combined with joint exercises and overseas deployment training, enhance working relationships and mutual understanding of the operating environment of both components.

In summary, the AC manpower commitment to the RC is substantial. Cross-pollination of experience and expertise across components occurs routinely. For the daily full-time manning of unit positions in the civilian community, however, we feel AGR soldiers are best able to contribute to the RC unit structure to maximize the precious resource of available training time.

ROUNDOUT ASSOCIATIONS

QUESTION: General Palastra, according to the Congressional Budget Office and analysis by my staff, a Guard or Reserve roundout brigade's annual cost for pay and operations is only about one third (1/3) of an Active brigade. Wouldn't you agree that the taxpayer is getting maximum return for the dollar? So why don't we develop more roundout associations?

ANSWER: Roundout associations are a cost effective means of allocating defense dollars and new roundout associations are planned. These associations are planned among all three components of the total force.

However, the requirement to maintain a credible force which can deter or defeat any threat, necessitates a carefully planned and programmed balance between Active and Reserve roundout associations. Rapid deployment of fully trained and equipped units requires that readiness must be given considerable weight in determining the proper ratio of active and reserve roundouts.

Roundout associations will continue to be considered when structuring the total force and will be utilized where feasible and prudent to do so.

TRAINING OF MISSION FORCE

QUESTION. If the Army Reserve and Guard can maintain a 500 man presence in Honduras to build a road, then why can't a similar sized Reserve force be maintained in Europe so active forces and dependents can be reduced?

ANSWER. The GAO Study of this program was forwarded by Mr. Webb to the Chairman, Subcommittee on Defense, Committee on Appropriation. The finding was that "the implementation of the proposed concept would result in an unwise use of scarce financial resources without any improvement in the defense posture of the nation."

TRAINING OF FORCES

QUESTION. Guard and Reserve support units often train on equipment that differs from equipment they would be expected to service in wartime. For example, an Army Reserve maintenance company might practice on M-60 A-Tanks while in wartime it would be expected to repair the Abrams M-1. What is the magnitude of this problem? What actions are the Reserve and Guard taking to address the situation?

ANSWER. Until recently this problem was almost insurmountable. Presently a program has been developed which allows more alignments of CAPSTONE missions and in return allows more training with the supported unit. The training is specifically geared to what the active components require. For instance, units deploying to Europe for ODT/CAPSTONE mission support Abrams M-1 tank units. This training is presently reinforced at CONUS locations where equipment is available for training. We are in the process of establishing Regional Training Site-Maintenance where individuals and units will be able to train on the latest equipment maintained by their supported active Army units. Presently there are 21 scheduled sites consisting of three high-tech sites. Two of the high-tech sites will be activated in 1989. Those sites are located at Tobyhanna Army Depot, Pennsylvania and Sacramento Army Depot, California.

TRAINING IMPROVEMENTS BUDGET/NTC COSTS

QUESTION. General Palastra, how much funding is included in the Active 1987 and 1988 budgets for support of training improvements, such as overseas deployment training, discussed in your opening statements? How much does it cost to deploy and train a National Guard Battalion at the National Training Center?

ANSWER. During FY87 and FY88 Forces Command budgeted $24 million and $23 million for US Army Reserve (USAR) participation in the CAPSTONE Program. Additionally, our Overseas Deployment Training (ODT) program is currently funded at $6.0 million and $6.2 million for FY87 and FY88 respectively. Included in these ODT funds are resources for the USAR participation in training in the Central America area. Ten training exercises of two weeks or less in Honduras are scheduled for FY87.

The average cost for a brigade task force rotation to the National Training Center (NTC) in FY87 is approximately $4,060,000. Additionally, Ft Irwin incurs incremental support cost of $1,500,000 per rotation. Since the majority of the unit cost is for shipment of equipment to the NTC and return to home station, actual cost per rotation varies between $2.5 million and $6.0 million, depending on distance. During FY87 and FY88, four NTC rotations involving Guard units are scheduled (two rotations in FY87 and two rotations in FY88). Since a typical brigade task force rotation includes 2 combat battalions and a headquarters element, the estimated cost for a combat battalion is approximately 27 percent of the total rotation cost or an average of $1,096,000 per rotation for an Active or Guard unit going to the National Training Center.

Reserve Component participation at the NTC presents unique challenges. For the participating unit, these include increased expenses in mandays and training funds during train-up, and extended annual training (AT) periods (three weeks at the NTC versus two weeks normally). For example, roundout battalions may exceed 100 days train-up time instead of the normal 38 days a year. The National Guard Bureau allocates the required funding for pay and allowances of NTC participants for the train-up periods and the extended AT. For the parent Active Component unit, significant support is required in terms of mobile training teams and key leadership and staff involvement.

OVERSEAS DEPLOYMENT TRAINING

QUESTION: How much funding is included in the Active, Guard and Reserve 1987 and 1988 Budgets for Support of the Training Improvements, such as Overseas Deployment Training, discussed in your opening statements? How much does it cost to deploy and train a National Guard Battalion at the National Training Center?

ANSWER: Funds are included in the Army National Guard budget for such items as CAPSTONE, Overseas Deployment Training and the Key Personnel Upgrade Program all of which foster the training relationships between Guard and Active Component personnel and units. In fiscal year 1987 these funds totaled $40,549,000. In the current request, they total $41,930,000 for fiscal year 1988 and $44,018,000 for fiscal year 1989.

The cost for a National Guard battalion to train at the National Training Center must be viewed as a three year process: "trainup costs" incurred during the year prior to attendance, costs during the rotation training year, and "traindown" costs incurred after the unit returns to home station (i.e. additional equipment repairs, afteraction reports, track train unloading, etc.). The total cost for a mechanized/armor battalion is $1,600,000; a mechanized/armor battalion with brigade headquarters is $2,100,000; and a brigade with one mechanized battalion, plus brigade support elements is $3,800,000. An infantry opposing force augmentation company costs $100,000.

TRAINING OF FORCES

QUESTION. How much funding is included in the Active Guard and Reserve 1987 and 1988 budgets for support of the training improvements, such as overseas deployment training, discussed in your opening statements?

ANSWER. $24 million in FY 87 and $29 million in FY 88 are specifically programmed for the planning and execution of Army Reserve overseas deployment and CAPSTONE training. 5.6 million in FY 87 and 11.5 million in FY 88 are programmed for the implementation of Regional Training Sites-Maintenance which will provide essential equipment to be shared by units to train maintenance specialities.

NATIONAL TRAINING CENTER

QUESTION: General Temple why don't non-roundout associated National Guard Units train at the National Training Center?

ANSWER: Up to the present, participation by Army National Guard units has been limited to armor and mechanized infantry units. The National Guard Bureau is working with Forces Command to select non-roundout brigade size elements during the Fiscal Year 1990 to Fiscal Year 1994 time period. The first elements will come from armor and mechanized units with highest priority missions and earliest deployment dates.

To address the current limited ability of the National Training Center to accommodate non-roundout units, we are constructing an integrated range at Gowen Field, Idaho oriented to company level training..While this facility won't provide the same scope of training and experience, company teams will be able to train in combined arms scenarios. Plans are also being made to establish a similar facility at Camp Grayling, Michigan.

EQUIPMENT MAINTENANCE TRAINING

QUESTION: General Temple, the services have testified before this subcommittee that there are minimum equipment training hours necessary to keep a soldier proficient and ready to deploy. In some cases, this training time seems to exceed what one would think a Reserve Component Soldier could accomplish drilling one weekend a month and two weeks a year. Are there any pieces of equipment that you are having trouble keeping Reserve Component Soldiers proficient on because of lack of training time?

ANSWER: We have not identified any equipment with which we cannot maintain proficiency or accomplish our mission because of a lack of training time. Our modernization efforts require ARNG units to train more effectively and efficiently because training time is at a premium. To assure that personnel are adequately trained, Regional Maintenance Training Sites are being established to provide maintenance transition and sustainment training. Although units do spend more time training on certain types of equipment, our commanders are continuously reassessing their training priorities to ensure that their assigned missions are accomplished.

NATIONAL TRAINING CENTER

QUESTION: General Temple, how have the Guard Units performed at the National Training Center compared with Active Units?

ANSWER: From a National Guard Bureau perspective, Army National Guard units have performed the same as Active Component units. All reports received have also indicated comparable results.

C-4 FOR EQUIPMENT

QUESTION. General Palastra, how many reserve component units have readiness ratings of C-4 (non-deployable) due to equipment shortfalls?

ANSWER. A number of reserve component units [deleted] [deleted] are presently undergoing HQDA directed modernization. Not counting those units and using the most recent available readiness data (January 1987), (d) ARNG units are C-4 for equipment on hand (d), while (d) USAR units are C-4 for equipment on hand [deleted.]

C-4 FOR NONPROCURABLE EQUIPMENT

QUESTION. Of these units that are non-deployable because of equipment shortfalls, how many cannot be fixed because the needed equipment can no longer be procured through the Army's supply system?

ANSWER. The question of the procurability of equipment raises many issues since various factors can cause the nonprocurability of equipment, i.e., nonavailability in the industrial base or management decisions not to procure equipment because of economic order quantity factors. The Department of the Army Staff, in conjunction with the Army Materiel Command (AMC), is currently reviewing equipment identified as nonprocurable and reviewing the procedures which determine procurability. As a result, your question cannot be answered fully until AMC completes the procurability study which is scheduled to be completed April 1987.

READINESS RATINGS

QUESTION: General Temple, are there Reserve Component Units that have higher readiness ratings than Active Units? How can this be possible?

ANSWER: Yes, there are units in the Army National Guard that have a higher readiness rating than Active Component units. There are several reasons for this.

A large number of Guard units have specific missions, i.e., M-Day shortfall units, essential force units and presidential 200k call-up units. These units have a higher Department of the Army Master Priority List (DAMPL) priority than some active units, thus they are resourced before Active Component units falling below them in the DAMPL.

Also, Army National Guard units do not have a high turnover rate. Most of the personnel are members of the community in which they live and work. This provides more stability. The many armories which are scattered throughout the States and Territories, make it easy for personnel to serve within their own community. Many combat and combat support Army National Guard units are at or slightly over 100% strength. This permits the unit to have a higher percentage of fully trained and deployable personnel. Being a member of the National Guard is a good way to supplement your income and serve your country at the same time. The various incentive programs for the guard have helped to stabilize our force. Employers of guard members also get recognition for their support.

READINESS RATINGS: DIVISIONS AND ROUNDOUTS

QUESTION. General Palastra, do all reserve component roundout units have the same readiness ratings for equipment as the divisional units they will be attached to when deployed?

ANSWER. In all cases except the [deleted] which is undergoing a reorganization, roundout units are identified as deployable (C-1, C-2, or C-3) where aligned with a divisional unit that is identified as deployable. The [deleted] will undergo a major structure change in FY 88 and FY 89 which will transform the Brigade to the Light Infantry concept which is consistent with the organization development currently underway in the [deleted.]

ENDSTRENGTH/MISSIONS

QUESTION: General Temple, Army Guard and Reserve End Strength increased by 151,000 between 1981 and 1987. What percentage of this growth was related to new missions being assumed by the Guard and Reserve versus filling out requirements for existing missions?

Between 1986 qnd 1988 Army Guard and Reserve end strength is requested to grow another 33,000. How much of this requested growth is related to new missions versus filling out existing requirements?

ANSWER: Army National Guard paid strength in units grew by 62,000 during the period FY 81 through FY87. Of this growth, 26,660 or 43% was for new missions. The balance of 35,340 or 57% filled out personnel requirements for existing missions.

ARNG strength in units is requested to grow 12,600. Of this growth 11,600 or 92% is requested for new missions. The balance of 1,000 or 8% is requested to fill out existing requirements.

FY 1988 Personnel Overview

Question. Army Guard and Reserve end strength increased by 151,000 between 1981 and 1987. What percentage of this growth was related to new missions being assumed by the Guard and Reserve versus filling out requirements for existing missions?

ANSWER. USAR strength grew 87,136 during the period FY81 through FY87, representing 57.8% of the Army Reserve Components growth. Of this growth 31,660 or 36.3% was for new missions. The balance of 55,476 or 63.7% filled out personnel requirements for existing missions.

FY 88 PERSONNEL OVERVIEW

Question. Between 1986 and 1988, Army Guard and Reserve end strength is requested to grow another 33,000. How much of this requested growth is related to new missions versus filling out existing requirements?

ANSWER. USAR strength is requested to grow 20,691 representing 62.1% of the Army Reserve Components growth. Of this growth 14,968 or 72.3% is requested for new missions. The balance of 5,723 or 27.7% is requested to fill out existing requirements.

EUROPEAN BASED RESERVE COMPONENT MISSION

QUESTION. The 1987 Senate Appropriations Committee Report tasked the Defense Department to develop a plan for establishing, at least on a test basis, a European based reserve component mission which is capable of training selected members and units of the reserve components. The committee recommended that a combat service support mission be selected. Would the witnesses please provide a status report on this effort?

ANSWER. The Report is in the final stages of coordination within the Department of Defense.

PERSONNEL/NATO FORCE LEVELS

QUESTION. General Ward, could you please provide a status report on the Individual Ready Reserve? What new initiatives are proposed in 1987 and 1988 to ensure that the IRR is ready to mobilize if needed?

ANSWER. The IRR manpower pool totaled 300,821 at the end of FY86. Current strength projections show the IRR growing to 530,664 in FY92. A brief look at the soldiers presently comprising the IRR reveals a relatively young, well educated force. The officer corps comprises 15% of the total IRR and is 11% warrant officers 58% company grade, and the remaining 31% field grade. The average age for this group is 37. Over 77% of all officers (85% of commissioned officers) have a bachelor's degree or higher. Almost 17% of IRR officers have had combat service. Women now comprise 13% of IRR officers. The IRR enlisted population has an average age of 26, and just over 80% of the enlisted force are in the grades of E4 and below. More than 80% have their high school diplomas. Women comprise almost 15% of the IRR enlisted strength.

To help ensure the mobilization readiness of this force, a number of initiatives are being implemented. The most visible, and possibly the most effective, has been the mandatory IRR screening program. Beginning 1 October 1986, this program has thus far resulted in over 35,000 IRR members updating their records and the mobilization data base and providing other valuable management information to the Army. A significant number of those being screened, 12.9%, indicated an interest in participating in IRR training programs and 9.5% have stated an interest in reenlisting in the IRR. About 83% of those screened meet the current Army weight screening table standards. In March 1987 skill qualification testing of certain IRR members began. The analysis of the test results will assist in determining military skill decay rates for IRR soldiers which, in turn, will assist in the development of future training programs. Plans are being formulated to expand screening outside the 50 United States in FY88.

The number of IRR members being trained each year is increasing through improved training management. IRR mid level enlisted training has been extended in FY87 to 44 military occupational specialties, determined according to Army mobilization requirements, criticality of the specialty, training difficulty and duration, and rate of skill decay. This program is providing quality training opportunities for the IRR in specially configured two week courses.

x Another training initiative is the expansion of the Divisional Attached Ready Reserve Training (DARRT) program to include enlisted personnel. This program establishes an affiliation between IRR members and active component units while providing excellent training for the IRR.

QUESTION. General Ward, the Army Reserve provides over half the Army's medical support units. However, medical personnel requirements are far above the number of personnel on hand. Could you provide a status report on the medical personnel situation?

ANSWER. Medical personnel requirements are definitely greater than the number of personnel on hand. While we have significant shortages in our Army Reserve Medical Troop Program units, the shortages are staggering, when compared to the FY92 total Army wartime requirements. We presently are some 5,000 physicians, 18,000 nurses, and 25,000 enlisted short of our total wartime requirements. With the Selected Reserve incentives that have been recently approved, we anticipate being within 1,300 physicians and 13,000 nurses of our wartime requirements by 1992. In addition, if we are provided proposed incentives for the Individual Ready Reserve, we estimate being able to meet our requirements for physicians and being within 6,000 nurses by 1992. Enlisted incentives to improve AMEDD recruiting include the GI Bill, an Education Loan Repayment Program and cash bonuses. These incentives plus continued emphasis on recruiting individuals with military related civilian acquired skills and improved retention should greatly help toward reducing our overall enlisted medical shortages.

In the short run, during a full mobilization scenario, significant shortages would exist in physician, nurses and enlisted personnel. Nonetheless, sufficient personnel resources can be made available to meet battlefield health care needs of the theater as enhancements in medical equipment readiness come to fruition through 1992. If priorities are allocated to the theater for medical personnel assets, it should be clearly understood that the CONUS base would be severely limited in meeting treatment demands of returning casualties. Therefore, health care for returning casualties would rely heavily on the Veterans Administration and the National Defense Medical System.

BEST TYPE UNITS FOR ROUNDOUT

QUESTION. General Palastra, what type of units are most adaptable to roundout associations? Are infantry brigades more easily used for roundout than armored brigades? What role does geography play in developing roundout associations?

ANSWER. Currently, there are mechanized, armor and light infantry divisions with roundout units. We have experienced no problems with unit adaptability for any of these combat formations.

Geography and need for roundout are the considerations in selecting both Active and Reserve units for the roundout program. Our objective is to locate the units as close together as possible to facilitate planning and training relationships.

CAPSTONE

QUESTION: General Temple, how were Guard and Reserve forces associated with the Active Force before the CAPSTONE system was adopted? Has CAPSTONE really made a difference in Guard and Reserve readiness?

ANSWER: Before the CAPSTONE System was adopted, the Army National Guard trained on weekends at the armories and at the closest military installation for Annual Training with no focus on war plan requirements. Starting in 1975, the National Guard trained with the active Army through several programs: The Affiliation Program, the Division Partnership Program, the 1975 Corps Support Command - Theater Army Area Command (COSCOM-TAACOM) Study, the 1978 Support Unit Improvement Program and the 1979 Wartime Mission/Utilization Program. The three latter programs had the most influence in bringing about the CAPSTONE Program. The COSCOM-TAACOM Study involved maintenance and logistic training for National Guard units in Europe. The active forces stationed in Europe had fallen behind in maintenance and requested assistance from the Guard. It turned out to be very valuable training and expanded into another program. The Support Unit Improvement Program was introduced to increase training in the medical field. The third program, the 1979 Wartime Mission/Utilization Program, was expanded to include all combat, combat support, and combat service support units. The success of these programs was a factor in designing the CAPSTONE Program. By definition, the CAPSTONE Program is designed to align reserve component and active component units into wartime configurations under a gaining command with the goal of training and planning in peacetime for wartime missions.

The total readiness of the National Guard has increased since the beginning of the CAPSTONE program. At the start, the program made apparent the poor equipment status within the Guard. Since then, the Guard has improved its equipment posture through a total modernization effort. The CAPSTONE program has provided an atmosphere for reserve units to work, train, share information and expertise with their CAPSTONE higher headquarters. As a result of this exposure, they have been able to develop warplans and Standard Operating Procedures, based on their mission. All of these opportunities have made it possible to increase our readiness status.

LINK UP LOCATION

QUESTION. General Palastra, do Reserve roundout units meet up with their active counterparts in CONUS or in theater? Does FORSCOM have responsibility for coordination/planning this aspect of roundout?

ANSWER. The availability of roundout units is generally later than that of their active counterparts. As such, the roundout unit will deploy after its active counterpart and link up with it in theater. However, the Army policy regarding deployment of roundout units states that reserve units will deploy with, or as soon as possible after, their active parent.

The availability of a unit is the principal factor used to determine when to deploy forces to a supported theater. This information, developed by FORSCOM, is provided by the Army through Joint Chiefs of Staff channels to the supported Commander in Chief.

STRATEGIC LIFT FOR ROUNDOUT UNITS

QUESTION. General Palastra, what does the mobility/transportation picture for the reserve forces look like? Do all roundout associations have available sealift and airlift to deploy in accordance with their wartime mission?

ANSWER. All units associated with a completed capabilities-based Operations Plan (OPLAN) have strategic lift identified to move to that overseas theater; however, in many cases this does not meet the supported commander's originally established arrival dates.

During the planning cycle, a Transportation Feasibility Estimator (TFE), a computer simulation of strategic movement requirements from Port of Embarkation (POE) to Port of Debarkation (POD), is run using common-user lift assets apportioned by the Joint Strategic Capabilities Plan to that OPLAN. The transportation shortfalls highlighted by the TFE are a result of insufficient lift available to move all the requirements in the time specified by the supported commander. Any shortfalls get resolved by one or more available options that correct the shortfall without adversely affecting the plan and which are agreeable to the supported commander. One of these options is adjustment of the arrival window.

We do not have as much strategic lift as we would like. Even given our projected programmed lift capability we will still experience shortages in the future. We work with an amount that is considered affordable and the roundout units are handled in the same manner as all other active component and reserve component units in the deliberate planning process based on priorities established by the supported commanders in the deployable flow.

Continued support for ongoing programs such as the C17 aircraft and the Navy strategic sealift program is imperative to improve the Army deployment posture.

ROUNDOUT

QUESTION. General Ward, in your opening statement you noted that the Army Reserve will be increasing its roundout units between 1987 and 1990. Could you please describe the roundout associations that are planned?

ANSWER. New roundout associations are planned as follows:

USAR Unit	Location	Parent Unit	COMPO	Location	EDATE
302 MI CO (CEWI)	TN	278 ACR	2	TN	870917
135 MI BN (CEWI)	MD	35 IN DIV (MECH)	2	KS	870916
8/40 AR BN	AZ	177 AR BDE	1	CA	880916
- AG CO	CA	177 AR BDE	1	CA	880916
- CS BN	CA	177 AR BDE	1	CA	880916
- AR TRP CAV	CA	177 AR BDE	1	CA	880916
292 MI CO (CEWI)	PR	92 IN BDE	2	PR	880916
273 MI CO (CEWI)	OH	73 IN BDE	2	OH	880916
253 MI CO (CEWI)	FL	53 IN BDE	2	FL	880916
- MI CO (BDE HHC)	WA	- EAC PACIFIC			880916
- MI CO (CI)	HI	- EAC PACIFIC			880916
- MI CO (INTEL CTR)	AZ	- EAC PACIFIC			880916
230 MI CO (CEWI)	NC	30 IN BDE (MECH)	2	NC	890916
232 MI CO (CEWI)	CO	32 IN BDE (MECH)	2	WI	890916
281 MI CO (CEWI)	WA	81 IN BDE (MECH)	2	WA	890916
- AVN BN (ATK HEL)	WA	6 IN DIV (LIGHT)	1	AK	890916
229 MI CO (CEWI)	CA	29 IN BDE	2	HI	890916
239 MI CO (CEWI)	AR	39 IN BDE	2	AR	890916
233 MI CO (CEWI)	IL	33 IN BDE	2	IL	890916
416 MI CO (CEWI)	ID	116 AR BDE	2	ID	900916
431 MI CO (CEWI)	AL	31 AR BDE	2	AL	900916
434 MI CO (CEWI)	IN	30 AR BDE	2	TN	900916
477 MI CO (CEWI)	AZ	177 AR BDE	1	CA	900916
245 MI CO (CEWI)	KS	45 IN BDE	2	OK	900916
241 MI CO (CEWI)	OR	41 IN BDE	2	OR	900916
463 MI CO (CEWI)	MT	163 AR BDE	2	MT	900916

ACTIVE FORCE ROUNDOUT OF RESERVE COMPONENTS

QUESTION. General Palastra, could you review some examples of Active Forces rounding out Reserve and Guard units?

ANSWER. Currently, the roundout program applies only to Reserve Component units rounding out Active combat formations.

OPERATING TEMPO

QUESTION: General Temple, what are the Operating Tempo factors for a Guard roundout unit versus a non-roundout unit? How does the Reserve and Guard operating tempo compare with the Active Forces?

ANSWER: The current OPTEMPO for intensively managed systems is set at 36 percent of the active component while the OPTEMPO for non-intensively managed systems has not been determined. Also, no difference in OPTEMPOs exists between roundout and non-roundout units. Under the present system, ARNG units must conduct the same training (e.g. rifle marksmanship or individual MOS training) and the same events (live fire exercises, command post exercises and field training exercises) as Active Army component to attain a C-3 rating. However, they are allocated only 36 percent of the resources and must accomplish the training in 39 training days compared with the 220 training days of an Active Army unit.

The Army National Guard is participating in the development of a Battalion Level Training model which will permit an evaluaion of the results of training under various OPTEMPOs and, thereby, provide a more sophisticated analysis of training requirements, goals and objectives in the future.

NEW MISSIONS AND FUNCTIONS?

QUESTION. Former Chief of Staff General Meyer recently stated in the press that "The noodle has been pushed up the hill about as far as it can be in turning over new missions and functions to the Guard and Reserve." General Palastra, do you agree with General Myer's observation? Should the Army be focusing on improving the Guard and Reserve for mission already assumed before assigning additional missions?

ANSWER. Senator Stennis, the Reserve Components have been very successful in meeting the challenge of many additional missions. Many of these missions have early deployment dates. In each case, selfless, dedicated citizen soldiers have met the challenge. However, depending upon the criticality of the missions, each additional mission places an increased demand on training requirements and on training assistance provided the Reserve Component unit by the Active Component. The full cost of mission transfer is shared between the Active and Reserve Components with some attendant risk. Although the Reserve Component soldier is required to devote only 38-39 days to his Reserve Component duties each year, the actual time spent in performing these duties is considerably more. The average time devoted by Reserve Component soldiers each year is approximately 60 days. The citizen soldier has many demands on his time, among these are his civilian job, his family, and his military duties. The impact on employer support and on the families of the Reserve Component soldier has reached the maximum limit we should expect. In summary, I believe we cannot place additional demands on current Reserve Component units without damaging employee and family relationships.

ROUNDOUT UNIT SHORTCOMINGS

QUESTION. General Leuer, your statement notes two shortcomings for reserve roundout units--training that does not support wartime fighting skills and maintenance of equipment in combat. Could you please elaborate? What improvements would you recommend?

ANSWER. My concern in these areas is based on facts, and were pointed out for your information and realization of their existence. The training I referred to was new equipment training (NET). As we modernize reserve component units, we do so at a cost of missed tactical training opportunities. Doctrine and Tactics Training (DTT) is conducted in conjunction with NET and provides the Commander, battle staffs, operators and trainers with a doctrinal basis for the employment of the new equipment. However, the process of providing NET, which principally consists of teaching the technical aspects of the equipment, and DTT consume the majority of the Reserve Component active duty time. Therefore, time is not readily available to sustain desired skills within the "NET Year." Of all the factors which impact on a reserve component unit's capacity to train, time is both the most crucial and the most obvious. It is generally understood that time to train is a critical factor for these units; and broadly, though less well understood that this time is discontinuous. Ultimately, the unit will be better equipped for battle, but, training on the new equipment to achieve tactical proficiency takes time. For example, when my roundout tank battalions receive the M-1 main battle tank in 1989, their NET training could take up to two annual training periods to accomplish. With the current ceiling on training days per year, the units may need several months after NET to regain their former warfighting skills. An increase in training dollars and days made available would speed up the relearning process. However, this course of action may cause units to lose soldiers as time demands placed upon them by their civilian employers may not be compatible with the needs of the Army.

With regard to the maintenance problem, reserve units must continue to stress organizational maintenance. While the Mobilization and Training Equipment Site (MATES) support is an excellent peacetime tool, in my opinion, it is not viable for training units for sustaining their wartime mission. Current procedures of the MATES concept originated in the early 70's to relieve the unit from routine, recurring maintenance and to provide more time for building tactical proficiency. I do not have a solution. However, I do not recommend sacrificing tactical training opportunities and would not change from the current system in peacetime.

ROUNDOUT RELATIONSHIPS

QUESTION: General McDaniel, the relationship between the 24th Infantry Division and the 48th Infantry Brigade appears to be quite close. What factors do you think make this roundout relationship work particurlarly well?

ANSWER: Several factors contribute to this successful and close relationship. First is the acceptance of the roundout relationship by members of the 48th Infantry Brigade. They have come to realize the benefits of the program and are enjoying the feeling of "belonging" that the roundout program gives.

Likewise, the very positive attitudes toward the roundout program by the Adjutant General of Georgia and the Commanding General of the 24th Division have contributed substantially to the closeness.

Another reason is the close proximity of the units of the 48th Brigade to Ft. Stewart. This permits participation in Division events such as tactical seminars, orders briefings, leader training, and change of command ceremonies. Also, Active Component units from Ft. Stewart are able to provide mobile training teams to units at home station during inactive duty training. Additionally, Brigade personnel can take full advantage of training opportunities offered under the Key Personnel Upgrade Program. The short travel distance permits them to be on their civilian jobs one day and training at Ft. Stewart with the Division the next day.

Finally, the equipment of the 48th Brigade is located at Ft. Stewart and all major training events such as Field Training Exercises, Command Post Exercises, and Gunnery training are conducted at Ft. Stewart. This allows continuous planning and coordination of the 48th Brigade training events into the master training calendar of the 24th Division.

QUESTION: General Fleming, what differences has the roundout relationship with the 1st Cavalry Division made in the morale of the 155th? How capabale is your unit compared to the active brigades in the First Division? What special challanges does roundout create for a National Guard armored brigade?

ANSWER: The initial response was "wait and see". We began work with the 1st Cavalry Division in December 1982 when our 1-198th Armor Battalion was selected to participate with them in REFORGER-83 (September 1983). Through this experience, I feel that the 1st Cavalry Division and 155th Armored Brigade gained a sense of mutual respect in terms of committment and proficiency. They accepted our brigade and worked hard at making us a part of the team. Although we consider ourselves Mississippi National Guardsmen first, we feel that the close 1st Cavalry connection has had a significant positive impact on individual pride and unit morale.

The Brigade is just completing New Equipment Training (NET) and returning to normal tactical modes. Needless to say, we are not on line with active Divisional brigades. At the individual and sub-unit levels, however I feel that we are close. While the active brigades are currently maneuvering battalions, we are at the platoon level of proficiency. Our long range training plan, when approved will enable us to maneuver companies in 1988 and battalions by 1989. We have proposed sending a battalion to National Training Center (NTC) in 1990 followed by the brigade with 2 maneuver battalions, the engineer company, cavalry troop, artillery and forward support battalion in 1991. In the meantime, we are sending individuals, platoons and companies at every opportunity. Last month, two of our tank crews were the top shooters at the National Training Center.

The most significant challenge was the pursuit of our own command objectives. These included sustainment of proficiency at the individual, crew, platoon, and company levels while making plans to "move the train even faster" and yet maintain our current levels of strength with high quality, dedicated soldiers. Three week annual training periods and consecutive drill weekends to meet the Program of Instruction have been demanding on the soldier, employer, and family. The current overriding challenge is to continue to prepare ourselves technically, tactically, mentally and physically to meet our contingencies for war. An additional significant challenge has been to avoid any appearance of diminishing loyalties to the State Of Mississippi. It is essential to keep our National Guard heritage in perspective. The peacetime chain of command must be understood by our soldiers as well as active component soldiers.

GEOGRAPHIC SEPARATION OF 6TH ID AND 205TH BRIGADE

QUESTION. General Corns, what disadvantages does the geographic separation of the 6th Light Infantry Division and the 205th Infantry Brigade create? In a wartime scenario, if the 6th was deploying to Korea or Europe, would the 205th join up in theater or in Alaska?

ANSWER. It is more difficult to coordinate and more costly to conduct liaison visits to support 205th training in Minnesota or Wisconsin and for elements of the 205th to come to Alaska for training.

If the division were deploying to Korea or Europe, the 205th would probably join the division in theater. It would not be necessary for it to come to Alaska first.

EQUIPMENT MODERNIZATION

QUESTION: General Fleming, how has designation as a roundout brigade affected the equipment in your units? What have been the advantages and disadvantages of receiving modern equipment like the Bradley Fighting Vehicle and the Abrams tank?

ANSWER: New equipment began to flow into the brigade in June 1984 with the arrival of Improved TOW Vehicles (ITVs). Since that time there has been a consistent flow of new and improved equipment. To this date we have received $700 Million in newly fielded combat, combat support and combat service support systems. This figure excludes repair parts and test equipment. The administration of planning, fielding, training and sustaining has been an awesome, but worthwhile task.

The advantages obviously are contained in our enhanced state of combat readiness. We know that our soldiers are trained on the most sophisticated fighting equipment in the world. There is an intangible, psychological advantage to this as the new equipment is a motivating factor for the soldier and will cause him to thoroughly prepare himself for the event of war. We can speak the same language as our Active Component division by operating with the same equipment. One disadvantage is that we place great sustainment demands on our soldiers. This means more time away from home and employment, thus we must actively continue with a viable public support program.

QUESTION: General McDaniel, how has designation as a roundout brigade affected the equipment in your units? What have been the advantages and disadvantages of receiving modern equipment like the Bradley Fighting Vehicle and the Abrams tank?

ANSWER: The 48th Brigade has the same equipment priority as the 24th Division and force modernization equipment changes are usually timed to occur at the same time as the Division's. The 48th Brigade is equipped with the same type and amount of equipment as the two active brigades in the 24th Division.

The advantages of having modern equipment include:

1. Increased troop morale and improved recruiting capability.
2. An increased combat capability and greater survivability
3. An increased cohesion with the roundout Headquarters because of the requirement for coordination and planning.

The disadvantages include:

1. Additional training time requirements which cause some conflict with civilian employees.
2. The increase in equipment/gunnery training which has reduced the time available to train in tactical manuevers
3. The support requirements for inactive duty training have increased without the necessary support funding increase.
4. The new equipment has increased the operational, sustainment, and maintenance requirements at the unit level without adding the additional full-time expertise to fully develop the unit's training capability.

ROUNDOUT COMMAND, CONTROL AND COMMUNICATIONS MANAGEMENT

QUESTION. General Leuer, how well are the command, control and communications aspects of roundout managed? Is the communications equipment of your Active and Reserve Components compatible? How often do you meet with the commander of your reserve component brigade?

ANSWER. We have no problems in these areas due to the close proximity of our roundout headquarters. The division staff is in continual communication with our roundout brigade staff, resulting in staff interactions comparable to our interactions with active brigade staffs.

We are completely compatible with respect to our communications equipment. In terms of authorized communication equipment available, our roundout units fill of equipment, less secure communication devices, matches the division. Our roundout units have 30 percent of their secure voice equipment as compared with the division's 42 percent fill. The division signal battalion works continuously with our roundout signal platoon and the signal personnel within the various units of the brigade to ensure their technical and tactical proficiency.

The roundout brigade commander is a participant in the division's bi-monthly training briefings. This is a forum where the units' mission essential tasks are agreed upon, training strategies are identified, commanders assess their current level of training proficiency, and guidance is issued. Additionally, I meet with the brigade commander at in-progress reviews to discuss his preparations for his upcoming rotation to the National Training Center. I also am briefed by him whenever the brigade trains here at Fort Polk. This is usually during a Multiple Unit Training Assembly (weekend drill period) or when the brigade staff participates in a division level Command Post Exercise.

QUESTION. General Corns, how well are the command, control and communications aspects of roundout managed? Is the communications equipment of your Active and Reserve Components compatible? How often do you meet with the commander of your Reserve Component Brigade?

ANSWER. They are managed well, and as the division matures they are going to be managed even better. I provide the 205th its wartime mission and guidance for accomplishment of that mission. Active Component officers and noncommissioned officers from the division evaluate the 205th Annual Training each year so I'm kept well informed on its status of training. I provide significant training guidance to the brigade, and because I know its mission and training status I can be very specific. So, the command and control apparatus is in place and working.

The communications equipment of the 205th and the rest of the division, to include secure equipment, is compatible.

I have met with Brigadier General Adamson, Commander of the 205th, twice since assuming command of the 6th Infantry Division. That equates to once a quarter. In addition, there is constant dialogue between the division and 205th staffs and there have been several liaison visits back and forth in the last six months. Also, there will be a liaison officer from the 205th assigned to Alaska in the near future. This will be of tremendous benefit to the division as well as to the brigade during this transition period.

READINESS IMPACTS

QUESTION. General Leuer, how much readiness, if any, does your division lose by being rounded out by reserve components? How does your division compare with other non-roundout divisions?

ANSWER. The greatest readiness detractor is deployment schedules. My roundout units will be eighteen days behind me in deploying. In a positive vein, the roundout relationship is beneficial for both the active and reserve components. The active component learns a great deal. As evaluators we must "know" before we can evaluate. The reserve component receives assistance, where necessary, and is evaluated to the same standards required of an active unit. Compared to non-roundout divisions, I do not have as much flexibility in the initial commitment of forces. Until my roundout units have undergone an intense training program, they must be committed selectively, based upon their proficiency in certain missions.

READINESS OF DIVISIONS WITH ROUNDOUT

QUESTION. General Corns, how much readiness, if any, does your division lose by being rounded out by Reserve Components? How does your division compare with other non-roundout divisions?

ANSWER. There is some degradation. The biggest constraint is the training time available to the 205th and the resultant training time required after mobilization to be validated as deployable. In the larger context of the Army as a whole, the roundout brigade represents an increase in readiness because a greater capability is fielded at less cost.

At this point the division is still in the process of activating and converting Active Component units as well as Reserve Component units. Until the process of activation and conversion is complete, about 1990, a valid comparison can't be made.

NATIONAL TRAINING CENTER

QUESTION: General McDaniel, could you provide more detail on your brigade's experience at the National Training Center (NTC)? Didn't your unit load and bring its own equipment to the NTC via rail transportation?

ANSWER: The 48th Brigade units that have trained at the National Training Center include an armor battalion, two mechanized infantry battalions, two artillery batteries, the engineer company, and numerous support personnel as fillers for the 24th Division units.

All unit rotations were a part of the 24th Division rotations and the units were under the command and control of the 24th Division Active brigades. Each rotation was preceded by an intensified training program for the 48th Brigade which included:

1. Key leaders going to NTC for Leader Training prior to rotation.
2. Additional training at home station with emphasis on tactics, leader training, orders drills, maintenance, and desert survivability.

3. Three to five Field Training Exercises of three days duration at Ft. Stewart with the 24th Division units scheduled for the rotation.

Track equipment belonging to units was loaded at Ft. Stewart with the 24th Division's equipment by 48th Brigade personnel. Approximately 20 track vehicles were carried per rotation. All wheeled vehicles belonging to units were transported by rail to the NTC. Troops were deployed by air from the most convenient airport capable of handling large passenger aircraft. The personnel of the 48th Brigade supported all activities, however, the 24th Division Transportation Office had the overall responsibility.

The intensified training program for trainup and the 21 day rotation to the NTC placed additional time requirements on personnel. A very positive public relations program geared toward families, employers, and civic leaders was implemented to counter the adverse effects of the additional requirements on recruiting and retention. This proved to be very successful and the units were able to hold personnel losses to a minimum.

It is the consensus that units of the Brigade could not conduct such intensive training every year and maintain strength. However, I feel that these intensive training programs can be accomplished at least once every three years with no adverse effects on strength providing a proper public relations effort is also conducted.

ROUNDOUT PROGRAM IMPROVEMENT RECOMMENDATIONS

QUESTION. General Leuer, would you like to recommend ways to make the roundout program work better?

ANSWER. The roundout program is not a perfect system. However, it is a system that works very well given the constraint of not being manned by full-time soldiers. The dedication and sacrificies of the reserve components' fine men and women serving in our roundout units should be appreciated by every American. The time spent away from their families and their civilian jobs to ensure that this country remains free is beyond proper recognition.

One improvement for the roundout program is its company grade officer education program. All active duty lieutenants and captains must attend their resident Basic and Advanced Officer Course. Currently, reserve duty lieutenants and captains may receive credit for these courses by attending the resident course or by a combination of correspondence courses and a shortened resident phase. In my personal opinion, the correspondence option should be discontinued. All reserve duty lieutenants and captains should attend the same resident Basic and Advanced Officer Course as their active counterparts.

QUESTION: General McDaniel, would you like to recommend ways to make the roundout program work better?

ANSWER: One key thing comes to mind which will help to improve the roundout program. A full-time liasion officer should be stationed in the Roundout unit's Headquarters to assist in projecting and planning and to relay guidance and missions from the Division and, conversely, present National Guard considerations at the Division level.

ROUNDOUT IMPROVEMENTS

QUESTION: General Fleming, would you like to recommend ways to make the roundout program work better?

ANSWER: A better educational program to inform all concerned of the exact role of the Guard, our capabilities and our limitations.

Less turbulance among active component personnel will improve stability of the force tremendously. Since we rounded out in 1984, we have seen many changes in command structure of the active component units as well as key staff positions.

Recommend that Annual General Inspections be done by Roundout Headquarters as opposed to Second Army Headquarters. This would better synchronize standards within the Division.

There is a need for a liaison officer from the roundout brigade to The Adjutant General to Division.

More full-time unit staffing is needed to sustain readiness. Conduct of Fire Trainer (MCOFT) operators, additional training NCO's at company level, maintenance managers and clerks are desperately needed on a fulltime basis throughout the brigade.

RECOMMENDATIONS FOR BETTER ROUNDOUT

QUESTION. General Corns, would you like to recommend ways to make the roundout program work better?

ANSWER. The success of the roundout program depends on adequate funding levels. Any cuts in funding for roundout will reduce the program's effectiveness.

QUESTIONS SUBMITTED BY SENATOR CHILES

AH-64 HELICOPTERS

QUESTION: General Temple, it is my understanding that 18 of the AH-64 Apache helicopters approved in the Fiscal Year 1987 Appropriations Bill have been targeted for the Florida National Guard. Is that still the Army's plan?

ANSWER: Two AH-64 Apache helicopter battalions have been allocated to the Army National Guard. These battalions, one in North Carolina and one in South Carolina, have been assigned to the XVIII Airborne Corps Aviation Brigade The third battalion of 18 aircraft is still under consideration by the Army Staff. If a determination is made to activate a third battallion in the Guard, the Army National Guard plans to field these 18 aircrafts in Florida.

QUESTIONS SUBMITTED BY SENATOR BYRD

DOD Presence in West Virginia

Question. As I have indicated in previous year's Defense Appropriations hearings, West Virginia has a record of participation and sacrifice in World War II, Korea, and Viet Nam that may well be unmatched by any other state. Now we in West Virginia find ourselves burdened with extraordinarily high unemployment. This is a priority concern with me, and I expect to continue working closely with key Defense Department officials to see what can be done to increase the Defense Department's presence in the State of West Virginia with a view to helping to alleviate the unemployment problem.

Do you have any suggestions or recommendations for increasing the Department's presence in West Virginia? I would like to see some thoughtful recommendations formulated for the record.

Answer. The Services have provided the following answers:

ARMY. The Army has taken an active role recently to increase force structure within West Virginia. Several military construction projects and US Army Reserve and National Guard units are being programmed for West Virginia.

As the Army goes through its force structure processes, attention is being given to fielding needed new units in West Virginia consistent with fiscal constraints and demographic projections.

NAVY. In view of the severe restrictions on defense spending implied in the current Congressional debate, there is no hope of change to the Department's present establishment other than to reduce or eliminate present requirements. With sharply reduced spending limits the Department will have to shrink if we hope to provide the best defense for the available tax dollar.

AIR FORCE. The Air Force has no plans to increase its presence in West Virginia at this time.

Military Construction Projects in West Virginia

Question. On June 20, 1985, during Senate consideration of the FY 1985 Supplemental Appropriations Bill, I engaged in a colloquy with the then Chairman of the Defense Appropriations Subcommittee, Mr. Stevens; the then Ranking Minority Member and now Chairman of the Subcommittee, Mr. Stennis; the then Ranking Minority Member and now Chairman of the Senate Armed Services Committee, Mr. Nunn; and the then Ranking Minority Member and now Chairman of the Military Construction Appropriations Subcommittee Mr. Sasser, in which I secured their support for accelerated design and budgeting for military construction prospects in West Virginia. In addition, Senate Report 99-168, dated October 31, 1985, accompanying the Fiscal Year 1986 Military Construction Appropriation Bill and Senate Report 99-368, dated August 5, 1986, accompanying the Fiscal Year 1987 Military Construction Appropriation Bill included the following passage at my request (FY 1987 language quoted):

> DOD Facilities in West Virginia
>
> The Committee understand the need to accelerate the military construction program contemplated for West Virginia which has been raised in hearings before the

Senate Committees on Armed Services and Appropriations. The matter was the subject of discussion on the Senate floor. This need to accelerate the program has been the subject of correspondence with high-level military officials as well as discussions with the Secretaries of the Army and Air Force. The thrust of these discussions has been that early construction of these various projects will help provide much needed jobs; avoid the costs of inflation associated with delayed construction; and provide modern, updated facilities for use by military personnel in West Virginia. The Committee supports these arguments and directs the Department of Defense to redouble its efforts to accelerate the design of the various projects and to incorporate them into the fiscal year 1988 President's budget so that they may receive early consideration by the appropriate committees of Congress.

What more can be done to accelerate the construction of West Virginia military construction facilities in response to language, included at my request, in the above-mentioned reports? Testimony before the Committee last year indicates that nine projects worth $16.8 million had been accelerated due to departmental action. Would you please recapitulate this information and provide for the record an analysis of projects accelerated over the past four years, either through Executive Branch or congressional action.

Answer. The Services have provided the following information.

Navy

No military construction projects in West Virginia on the list were accelerated by either the executive branch or congressional action over the past 4 years. However, there were projects in FY84, FY85, and FY86 programs, that were authorized and funded at the Naval Activity in Sugar Grove.

Army National Guard

	EST COST ($000)	CURRENT TARGET FY	PREVIOUS TARGET FY
Point Pleasant			
Armory Addition/Alteration	1,200	1988	1989
Camp Dawson			
Training Facilities, Phase II	2,000	1989	1988

Project was initially accelerated from FY 1989 to FY 1988. The project scope was expanded to include a portion of the previously planned Phase III facilities and thereby increased the cost to $2 million. This increased scope means that the project cannot be accelerated.

Training Facilities, Phase III	1,500	1989	1990

Project now includes facilities previously planned as Phase IV combined with the remainder of the planned Phase III. Costs have increased to $1.5 million and the project continues to be accelerated into the FY 1989 budget request.

Training Facilities, Phase IV	800	1990	1992

Project is the new designation of the previously planned FY 1992 Phase V project.

Army Reserve

New Martinsville			
Army Reserve Center Expansion	1,345	1988	1989
Parkersburg			
Army Reserve Center	3,306	1989	1990

Naval/Marine Corps Reserve

There were no project accelerations.

Air National Guard

Martinburg			
Short Field Runway	2,500	1987	1990
Phase I Ramp Addition	2,500	1987	1988
Operational Training Complex	3,000	1989	1991
Composite Avionics/NDI	750	1989	1991
Alter Hangar 110	500	1990	1992
Add/Alter Jet Fuel Storage	3,000	1990	1992
Yeager			
Multiple Facility Additions	625	1987	1988

Air Force Reserve

There were no project accelerations.

Five Year Construction Plan

Question. Please update for the record the information provided last year regarding which construction projects are contemplated in the latest Army, Navy, and Air Force, Regular, Reserve, and National Guard Five-Year plans for West Virginia. Please make this a comprehensive response for all elements of the Department of Defense, including contractor operated facilities. Please indicate the project description, the location, the estimated cost and the fiscal year in which the project is contemplated, as well as include a standard form 1391 in the record for each proposed or ongoing project.

Answer. The Services have provided the following information in millions of dollars:

Navy The Navy has no military construction projects for West Virginia in any program year through FY 1992.

Army National Guard

PROJECT NAME	FY	EST COST
Point Pleasant Armory Addition	88	1.0
Buckhannon OMS Addition	88	0.4
Camp Dawson Training Facilities, Phase I	88	0.8
Parkersburg Aviation Support Facility	89	5.1
Camp Dawson Training Facilities, Phase II	89	2.1
Camp Dawson Training Facilities, Phase III	89	1.5
Wheeling Armory	90	1.2
Wheeling Aviation Support Facility	90	4.5
Camp Dawson Training Facility, Phase IV	90	4.5
Army Reserve		
New Martinsville USARC/OMS	88	1.4
Parkersburg USARC/OMS and AMSA	89	3.3
Rainelle USARC/OMS	92	2.2
Kingwood USARC/OMS	94	1.4

Naval Reserve

There are no projects in the five-year plan for West Virginia.

Air National Guard

Yeager Fire Suppression System	88	1.5
Yeager Vehicle Maint/Refueler Vehicle Shop	88	1.1
Martinsburg Operational Training Complex	89	3.0
Martinsburg Composite Avionics/NDI Fac	89	0.8
Martinsburg Alter Vehicle Maint Shop	89	0.2
Yeager Squadron Operations Add/Alts	89	0.9
Yeager Aircraft Parking Ramp/Hold Rad	89	3.3

Yeager Add/Alter Jet Fuel Stor Complex	89	1.7
Yeager Add to Sec Police Ops	90	0.3
Martinsburg Alter Hangar 110 for C-130	90	0.5
Martinsburg Add/Alter Jet Fuel Storage	90	3.0
Air Force Reserve		
Morgantown Civil Eng Training Facility	Pending	0.6

DD Forms 1391 have been provided where available. Some projects have not yet been defined to the DD Form 1391 level of detail.

Question. Which, if any, of these projects could be accelerated into fiscal year 1988 or fiscal year 1989?

Answer. Insufficient designs and land acquisitions prevent acceleration of additional Reserve component projects other than those currently requested for Fiscal years 1988 and 1989.

NAVY

Since the Navy has no projects in any outyear program, no projects are available to be accelerated.

Question. For the projects which are underway or budgeted in FY 1988 or FY 1989, please provide an updated schedule, including significant milestone events, leading to full realization of the projects.

Answer. The Services have provided the following information:

Navy

Navy has no projects underway or budgeted for FY 1988 or FY 1989.

Army National Guard

FY 1988, Buckhannon; OMS Alteration/Addition. Design approved August 1, 1987; project authorization October 1, 1987; project completion October 1, 1988.

FY 1988, Camp Dawson; Training Facility Phase I. Design approved January 30, 1987; project authorization October 1, 1987; project completion, October 1, 1988.

FY 1988, Point Pleasant; Armory Alteration/Addition. Design approved, August 1, 1987; project authorization, October 1, 1987 project completion, February 1, 1989.

FY 1989, Camp Dawson; Training Facilities Phase II and Phase III. Design approved November 1, 1987; project authorization October 1, 1988; project completion, January 1, 1990.

FY 1989, Parkersburg; Aviation Support Facility. Design approved July 1, 1987; project January 1, 1990.

Army Reserve

FY 1985, Ripley; Army Reserve Center and OMS Alteration and Expansion. Beneficial occupancy estimated May 1987.

FY 1988, New Martinsville: Expand 25 member to 60 member U.S. Army Reserve Center (USARC) with Organizational Maintenance Shop (OMS). 95% design completed as of January 1987.

FY 1989, Parkersburg: New 200 member U.S. Army Reserve Center (USARC) with Organizational Maintenance Shop (OMS) and Area Maintenance Support Activity (AMSA). Project is currently at 10% design. Negotiations are underway to obtain necessary land; the Corps of Engineers is attempting to obtain an option for the land.

Air National Guard

FY 1986, Martinsburg; Fire Suppression/Alarm System; estimate 100% completion in June 1987.

FY 1986, Martinsburg; Add to Aircraft Parking Apron; estimate 100% completion in April 1987.

FY 1987, Martinsburg; Shortfield Runway; bid opening scheduled March 26, 1987. Estimate construction start in May, with 100% completion by November 1987.

FY 1987, Martinsburg; Phase I Ramp Addition, bid opening scheduled April 17, 1987. Estimate construction start in June 1987, and construction complete by June 1988.

FY 1987, Yeagar; Multiple Facility Additions, design completed February 27, 1987; estimated contract award June 1987 and construction complete March 1988.

FY 1988, Yeager; Fire Suppression System, 100% designed.

FY 1988, Yeager; Vehicle Maintenance/Refueler Vehicle Shop, 65% designed; scheduled for FY 1988 accomplishment.

FY 1989, Martinsburg; Operational Training Complex, criteria review conference held October 1986; estimate 65% design by December 1987.

FY 1989 Martinsburg; Construct Composite Avionics/NDI Facility is at 10% design; estimate 65% design by September 1987.

FY 1989 Martinsburg; Alter Vehicle Maintenance Shop is 100% designed.

FY 1989, Yeager; Squadron Operations Addition/Alterations is a 10% design.

FY 1989, Yeager; Add/Alter Jet Fuel Storage Complex 20% design estimated by mid-April 1987; 65% design by January 1988.

Question. A partial list of West Virginia's military construction projects, based upon previous testimony, is included in order to aid in preparing the response. This list should be updated for the latest DoD Five Year Plan, completed, and the pertinent information provided for the record as requested above.

Answer. The list is updated to reflect the latest Five Year Plan.

Navy

Navy has no projects to add to this list.

PROJECT NAME	FY	APPRO/ COST
Buckhannon ARNG Org Maint Shop Add and Alt	88	0.4
Camp Dawson ARNG Training Facilities, Phase I	88	0.8
Charleston ANG Fire Suppression System	88	1.5
Charleston ANG Vehicle Maint Shop	88	1.1
Point Pleasant ARNG Armory Add	88	1.0
New Martinsville Army Reserve Center	88	1.3
Beckley Army Reserve Land Acquisition	89	0.2
Buckhannon ARNG US Property & Fiscal Office Add	89	0.3
Camp Dawson ARNG Training Facs, Phase II	89	2.1
Camp Dawson ARNG Training Facs, Phase III	89	1.5
Charleston ANG Aircraft Holding Pad	89	1.0
Charleston ANG Aircraft Parking Apron Add	89	2.3
Charleston ANG Fuel Storage Add	89	1.7
Charleston ANG Squardron Ops Add	89	0.9
Martinsburg ANG Avionics Facility	89	0.8
Martinsburg ANG Oper Trng Facility	89	3.0
Martinsburg ANG Vehicle Maint Shop	89	0.2
Morgantown Army Reserve Land Acquisition	89	0.2
Parkersburg ARNG Aviation Supp Fac	89	5.0
Parkersburg Army Reserve Center	89	3.3
Camp Dawson ARNG Training Facilities, Phase IV	*90	0.8
Charleston ANG Add to Security Police Ops	*90	0.3

Huntington ARNG Armory Add & Alt	90	0.8
Martinsburg ANG Hangar Addition	90	0.5
Martinsburg ANG Jet Fuel Storage	90	3.0
Wheeling ARNG Armory	90	2.0
Wheeling ARNG Heli Detach Army Aviation Sup Fac	90	4.8
Kingwood ARNG Armory & Ed Fac	91	2.8
Kingwood Army Reserve Land Acq	*91	0.1
Rainelle Army Reserve Center	92	2.2
Morgantown AFR Civil Engr Training Facility	Pending	0.6

* Additions to provided list

AMBULANCE DETACHMENTS IN WEST VIRGINIA

QUESTION: Would you please provide for the record the latest information on stationing two National Guard ambulance detachments (12 helicopters and 106 personnel) in West Virginia?

ANSWER: The current plan is for aviation force structure to be added to West Virginia over the next two (2) years in the form of two (2) areomedical evacuation detachments. Each will have six (6) UH1 helicopters. The first is scheduled for FY 88 and the second for FY 89.

Army Reserve Stationing - West Virginia

QUESTION. Would you please provide for the record the latest information on stationing elements of the Third Brigade, 80th Training Division in West Virginia (Brigade Headquarters, Second and Third Battalions), Light Equipment Company and Ground Ambulance Company -- over 600 Reserve personnel)?

ANSWER. Stationing of the 3d Brigade, 80th Division (Training) (-) is scheduled for the FY 88 timeframe, as follows:

Headquarters and Headquarters Detachment, 3d Brigade, 80th Training Division with TDA augmentation will be located in Charleston, WV. End strengths consist of 59 paid drill, 3 full-time manning and 4 civilians. In Fiscal Years 88 and 89 the Reserve Personnel Army cost is estimated to be $281,000 and $440,000, respectively. The Operation and Maintenance Army Reserve cost for Fiscal Years 88 and 89 is estimated to be $150,000 and $200,000, respectively. The estimated construction cost is $.8 million with lease cost of $85,000.

The Headquarters and Headquarters Detachment, 3d Battalion 320th Regiment with TDA augmentation will be located at Charleston, WV. End strengths will consist of 128 paid drill and 3 full-time manning spaces. The Reserve Personnel Army cost is estimated to be $513,000 for FY 88 and $747,000 for FY 89. Operation and Maintenance Army Reserve cost is estimated to be $102,000 for FY 88 and $205,000 for FY 89. Estimated construction cost is $1.6 million and $170,000 for leasing.

The Headquarters and Headquarters Detachment, 2d Battalion, 320th Regiment with TDA augmentation will be located in Beckley, WV. End strengths consists of 128 paid drill and 3 full-time manning spaces. The Reserve Personnel Army cost for FY 88 is estimated to be $513,000 and for FY 89 is $747,000. The Operation and Maintenance Army Reserve cost for FY 88 is estimated to be

$102,000 and $205,000 for FY 89. The estimated construction cost is $1.6 million and leasing cost is $170,000.

The 396th Heavy Equipment Maintenance Company will be located in Logan, WV. End strengths will consist of 218 Paid Drill and 3 civilians. The Reserve Personnel Army cost for FY 88 is estimated to be $774,000 and $1,122,000 for FY 89. Operation and Maintenance Army Reserve is estimated at $174,000 for Fy 88 and $349,000 for FY 89. Construction cost is estimated to be $1.9 million and $220,000 for leasing.

The 473d Medical Company (Ground Ambulance) will be located in Ripley, WV. End Strengths will consist of 99 paid drill spaces and 3 civilians. The Reserve Personnel Army cost for FY 88 is estimated to be $312,000 and $456,000 for FY 89. The Operation and Maintenance Army Reserve cost is estimated to be $80,000 for FY 88 and for FY 89 is $58,000. The estimated construction cost is $1.0 million and leasing cost is $155,000.

91st Reserve Military Interrogation Company

QUESTION. Would you please provide for the record the latest information on stationing the 91st Military Interrogation Company (90 personnel) in West Virginia?

ANSWER. A Military Intelligence Company is scheduled to be activated in Morgantown in FY 89. This unit has not yet been designated the 91st. The end strength will consist of 90 paid drill spaces and 3 civilian. Reserve Personnel Army cost for FY 89 is estimated to be $390,000. The Operation and Maintenance cost for FY 89 is estimated to be $72,000. Estimated construction cost is $1.3 million and leasing cost is $940,000.

HUNTINGTON NAVAL RESERVE CENTER

QUESTION: What is the situation regarding modernization or replacement of the Naval Reserve Center at Huntington?

ANSWER: A contract for a Whole Center Repair project was awarded 16 October 1986 in the amount of $919,000 to modernize the existing facility. The project is currently 45 percent complete with an estimated completion date of 13 November 1987.

QUESTION: I trust that you and your colleagues will keep me personally informed on all matters relating to Department of Defense programs, and especially Military Construction programs, in West Virginia. May I have your assurances on that?

ANSWER: My office is prepared to discuss Reserve Military Construction in West Virginia at any time.

RC ROUNDOUT UNITS

Question. The Roundout Program of the Army Reserve Components (Army Reserve and Army National Guard) provides for Reserve Component units to be associated in both peace and war with Active Army units. The Army Reserve Component unit that "rounds out" a larger Active Army unit will mobilize and deploy with the active unit; trains with and receives advice and support from the active unit in peacetime; and has the same priority for modern equipment as the active unit. In FY 1987, five out of 18 Active Army divisions have only two instead of the normal three active brigades, and rely on a Reserve Component roundout brigade for their third brigade upon mobilization; three other active divisions will be brought to full war strength by individual roundout battalions.

The Roundout Program enables the Army, in the words of the Chief of Army Reserve, "to meet its mobilization requirements within resource limitations and manpower ceilings." However, skeptics have argued that the intrinsic limitations on training time of Reserve units and their leaders, coupled with inadequate funding for equipment, will continue to prevent Reserve Component roundout units from achieving readiness equivalent to that of the Active Army units they will form an organic part of when going to war.

The Army asserts that Reserve Component roundout units have the same priority for receipt of sufficient modern equipment as the active units with which they train and are scheduled to mobilize. However, there continue to be reports of roundout units whose equipment is neither as modern as, nor interoperable with, that of their associated Active Army units. To what extent does the FY 1988-1989 budget specifically provide for the modernization of roundout unit equipment, not just in the more visible areas of major weapon systems, but the just as vital -- if less "glamorous" -- areas of communications, logistics, and maintenance?

ANSWER: Modernization of roundout units to the 2d Armor and 1st Cavalry Divisions with M1s and Bradleys is complete. 24th Infantry Division (M) roundout modernization is underway and will be completed during FY 88. Modernization of the roundouts for the 5th, 1st, and 4th Infantry Divisions (M) will be conducted between FY 89 and FY 92 in conjunction with fielding of equipment to their AC counterpart. In addition to major weapons system fielding, roundout units will receive selected transportation and support items of equipment as authorized.

Specifically, the FY 88-89 procurement will modernize the 5th Infantry Division (M) with Bradleys, Squad Automatic Weapons and Portable Decontamination Systems. The 1st Infantry Division (M) will receive Bradleys and the 10th Infantry Division (Light) roundout will be modernized with M119 Light Howitzers. The 1st Cavalry, 24th Infantry and 1st Infantry Division roundouts will receive 120mm Mortars from the same procurement. Additionally, the 1st Cavalry Division support and communications capability will be modernized with SINCGARS radios, the M9 ACE, 5 Ton Trucks, and Chemical Computer Indicators.

LID ROUNDOUT

QUESTION: Two of the Active Army's four new Light Infantry Divisions--the 6th and 10th--have only two active brigades, and will be rounded-out upon mobilization with a reserve component brigade. One of the primary arguments in favor of the Light Infantry Division concept, however, is its ability to deploy rapidly overseas. How is this rationale compatible with the requirement to mobilize a reserve brigade--with all the attendant political implications and time requirements--in order to bring each of these divisions to full war strength?

ANSWER: The reserve component brigades with adequate resourcing, including full time manning, can be prepared to mobilize and deploy with their active component divisions. The time required to mobilize and deploy is dependent upon: equipment on hand, assembly time, training readiness, MOS qualification and administrative mobilization preparedness. The reserve component roundout units are organized using the same light unit design as the active units, and are programmed to be equipped identically; they also have the same high priority for training and resource allocations. Close associations and integrated training programs will enhance complete division employment capability. Understandably the roundout units may not be able to deploy on exactly the same time schedule as the active units, but they would be expected to follow as quickly as possible. Having two light infantry divisions (7th and 25th) composed of all active component units lessens the possibility of the 6th or 10th being deployed on contingency missions prior to the availability of their roundout brigades. However, depending on the situation, the th and 10th Division active forces may be employed either without the roundout brigade or, if required, augmented with other active combat units to attain full division capability. As the round out units deploy they will be ideally suited for integration into the division employment scheme. The 205th Separate Infantry Brigade was selected to roundout the 6th because of its current mission, location and equipment. It has existing planning and training relationships with the former 172d Infantry Brigade which served as the nucleus in forming the 6th Light Infantry Division. It has trained in Alaska, is located in a cold weather region, and already has the special weather equipment which make it easier for its personnel to adapt to the Alaskan environment. The 27th Infantry Brigade, stationed in Syracuse has established and maintains a close working relationship with the active portion of the 10th. By rounding-out, the Army is able to meet force structure requirements and remain within the active component end strength. The light infantry division roundout initiative is consistent with other Army initiatives that seek to fully integrate the reserve component into a total, one Army effort.

RC TRAINING

QUESTION: If major Reserve Component roundout units such as battalions--and, even more importantly, brigades--are to become organic parts of Active Army divisions upon mobilization, it is imperative that the Reserve Component command and staff of these battalions and brigade be both technically knowledgeable and have the requisite leadership ability to meet the stresses of modern war. Do you have confidence that these senior Reserve Component officers can meet these exacting demands, given the unaviodably part-time nature of their military commitments and lack of recent full-time operational experience other than brief periods of reservist training? What is the Army doing to insure that upon mobilization, a wholesale replacement of Reserve Component senior unit leaders will not be necessary, as it has been in past mobilizations?

ANSWER: In addition to its required formal education system the Army has several programs designed to make the Reserve Component staff officer technically knowledgeable, enable him to meet the stresses of modern war and provide requisite leadership ability: (1) Counterpart Contingency Training provides Reserve

Component senior commanders and staffs orientations on NATO, Pacific, and Southern theaters. Participants receive briefings from Army Secretariat and DA Staffs and travel to the Theaters for briefings and tours. (2) Overseas Deployment Training provides Reserve Component units realistic mission training with their wartime gaining command in their contingency deployment areas. The program enables participating individuals and units to conduct mobilization exercises, tailor peacetime training to wartime missions, improve readiness through participation in joint exercises. (3) The Key Personnel Upgrade Program provides Army National Guard personnel opportunities to obtain practical experience while training with the Active Component. The guiding rule is that training is aimed at enhancing the individuals capability to perform his unit responsibilities. (The USAR equivalent to KPUP will be called TEAM TRAIN and is expected to be on line sometime in FY 88.)

QUESTION: The Army has been requiring more and more training time of members of RC roundout units. What has the effect of these steadily increasing time demands been on retention of personnel in these units? How long can the Army continue to levy more training requirements on citizen-soldiers before the increased readiness obtained through more training time becomes counterproductive due to decreased retention and lower morale?

ANSWER: Army Reserve Components Forces, especially National Guard combat units, are the primary users of longer training programs. Three-week annual training periods and additional training assemblies are used extensively to provide additional training time to prepare for major exercise participation. Longer unit training programs are generally detrimental to recruiting for the ARNG. In those units which have been affected, the primary problem has been a lack of time on the part of unit personnel to devote to recruiting. Strength in these units normally decreases after longer training periods, then return to normal after about a year. Most longer training programs have had little impact on Army National Guard retention, since most have been onetime events. However, frequent longer training periods would have a definite impact upon retention. Despite the lack of sustained readiness enhancement in the past or a limited potential for measured improvement resulting from longer training programs, these programs do, in fact, enhance unit training, mobilization readiness, unit cohesiveness, and overall unit capability. Unsubstantiated comments from the field are that long-training periods have negative impact on USAR retention. An Office of the Secretary of Defense Report of a Study: Longer Training Programs for the Reserve Component concluded the same. As a result, the Army is refraining from scheduling frequent longer training periods for Reserve Component units.

QUESTIONS SUBMITTED BY SENATOR DECONCINI

NGB & USAR READINESS

QUESTION: General Palastra, in your testimony you indicate a number of positive indicators and trends which point to "a smart, well educated, patriotic and interested soldier." You also state that the quality of equipment is high. You say, and I quote, "new equipment such as the Bradley Fighting vehicle, the Abrams tank, and the Apache helicopter, are enhancing our battlefield capability." As you know, a few of these vital items have been targeted to be reduced in overall numbers procured. How might this affect your total force concept? Specifically, will the Apaches be fielded at a rate commensurate with your mission? I mean this in terms of readiness, integration, training and retaining quality personnel. Let me quote what the Army has stated to Congress concerning the AH-64 Apache for quantity requirements and tactical importance: "Attack helicopters are another area where we have lost the qualitative and quantative edge." Additionally: "The Army has identified a requirement for 1206 AH-64 aircraft. Of these, 612 are required for Active Army and 396 are required for Army Reserve and National Guard forces."

In 1985, this buy of 675 aircraft met only 52% of the requirement. What is the status of this in terms of readiness and buyout now? Does this cause problems with maintenance, supply, and interoperability upon mobilization, given the equipment modernization efforts cited in the Roundout Program?

ANSWER: As a commander in the field I tend to agree we need more Apache aircraft and other modern weapon systems. The AH-64 is significantly more combat capable than the current AH-1S Cobra. At the same time, I must tell you, as a commander in the field, I need a balanced force. I need the combat support and combat service support that sustains the Apache and other weapon systems in combat. Given the Army's budget, I feel comfortable that the Army is providing a balanced force to meet its missions.

WESTERN ARMY AVIATION TRAINING SITE

QUESTION. There is a well-equipped and beautiful new facility in Arizona called the Western Army Aviation Training Site. This is a $26 million facility which currently trains AH-1 Cobra attack pilots for the National Guard. I do not need to market this training facility in terms of weather, visibility and the amount of money saved on these factors. Is there any consideration for expanding this facility to Reserve and Active components? Additionally, though I am not a pilot, it seems this is an ideal place capable of training future National Guard Apache pilots. Will this be considered?

ANSWER. The Western Army National Guard Aviation Training Site is an excellent training base which is a part of an on-going study by the National Guard Bureau. It is also being addressed as a part of a larger study of training requirements for the out-years. At this time, there is no plan to train AH-64 (Apache) pilots at this training site.

READINESS AND WARNING TIME

QUESTION. General Palastra, another concern regarding the reservists is their readiness status. "Adequate warning time" has been a precondition for using reservists in battle situations. If 51 percent of the Army's combat forces and 52 percent of its support forces will be in the Army National Guard and Reserve, how will this need for "adequate warning time" affect the readiness of the Army forces?

ANSWER. The principal factor that determines when a unit can deploy is its availability date for deployment. This date is based on the time required for the unit to mobilize, move to its mobilization station, pick up needed personnel and equipment, train and move to a port of embarkation. The time required to accomplish these actions depends upon a decision to mobilize and the readiness of the individual unit. The level of readiness maintained by all units is based on the philosophy of "first to fight, first to be resourced," thus the earlier a unit is required, the higher the priority it enjoys for readiness.

Assumptions concerning mobilization decisions and warning time are critical planning factors that have a major impact on the use of reserve component forces. In a short warning scenario, active forces and selected reserve units in the Presidential call-up package will deploy first, followed by mobilized follow-on reserve component forces.

TRAINING OF FORCES

QUESTION. It has been reported in the past that one of the main difficulties with the reserve forces pertains to maintenance personnel training on state of the art equipment. What is being done to improve upon reservists' equipment maintenance abilities?

ANSWER. Presently a program has been developed which allows more alignments of CAPSTONE missions and in return allows more training with the supported unit. The training is specifically geared to what the active components require. For instance, units deploying to Europe for ODT/CAPSTONE mission support Abrams M-1 tank units. This training is presently reinforced at CONUS locations where equipment is available for training. We are in the process of establishing Regional Training Site-Maintenance where individuals and units will be able to train on the latest equipment maintained by their supported active Army units. Presently there are 21 scheduled sites consisting of three high-tech sites. Two of the high-tech sites will be activated in 1989. Those sites are located at Tobyhanna Army Depot, Pennsylvania and Sacramento Army Depot, California.

ROUNDOUT PROGRAM

QUESTION: What are the projected savings in the DoD budget in switching to the roundout program? In your analysis, would the roundout program be a viable evolution for the entire Army structure?

ANSWER: There are no savings projected in the Army's budget because we are not replacing active units with reserve component roundout units.

A significant portion of the Army's combat divisions and separate brigades have roundout associations. Of the eighteen active component divisions, five CONUS based divisions have roundout brigades, and an additional three divisions have roundout battalions. Two separate brigades have roundout battalions and numerous others have roundout companies.

These roundout associations are a cost effective means of allocating defense dollars and additional associations are planned among all three components of the total force. Although the activation costs for similar active component and reserve component units are the same, annual recurring costs for reserve component units are only about one fourth that of a similar active component unit. In effect, the roundout program does save defense dollars compared to a fully structured active component force.

By rounding-out, the Army is able to meet force structure requirements and remain within a level, affordable active component end strength. The requirement to maintain a credible force which can deter or defeat any threat, necessitates a carefully planned and programmed balance between active forces and reserve roundout associations. A number of fully trained and equipped divisions are required for rapid deployment. These units by necessity must be composed of active units which require no mobilization. Therefore, readiness must be given considerable weight in determining the proper ratio of active and reserve roundouts.

Roundout associations will continue to be considered when structuring the total force, and will be utilized where feasible and prudent to do so.

WARNING TIME

QUESTION: By how much does the Roundout Program decrease the needed warning time for reserve forces to join the Active forces?

ANSWER: It is difficult to make quantitative comparisons between the availability of a Roundout unit and a similarly organized non-Roundout unit.

The time required for a unit to mobilize and to be available for deployment is generally dependent on the factors of the time required for a unit to assemble personnel and move to its mobilization station, the unit's readiness rating, (i.e., EOH, MOSQ and training status), and the amount of time needed to undergo administrative processing and validation. The Roundout program has a favorable impact on the the unit's readiness rating. Because a Roundout unit has the same sequence number on the Department of the Army Master Priority List (DAMPL) as the parent active unit, it is better equipped than a non-Roundout unit that has a lower DAMPL sequence number. Likewise Roundout units have the same high priority for training and resource allocation thus improving unit training readiness and ensuring greater opportunities for MOS training.

Overall, Roundout brigades are available for deployment anywhere from two to 25 days earlier than similar non-Roundout brigades.

QUESTIONS SUBMITTED BY SENATOR STEVENS

EQUIPMENT ADDITIONS

QUESTION: General Temple, what impact have the additions of equipment for the Guard by the Congress had on the ability of the Guard to fulfill the round-out mission?

ANSWER: In the past, some items such as Improved High Frequency Radios, Commercial Utility Cargo Vehicles (CUCVs), and Improved TOW Vehicles have been provided to roundout units from Dedicated Procurement Funds. However, this has been proportionally small because Army National Guard round-out units are provided equipment by the Army on the same priority as the Active Component units serving in the same command. This equipment is provided through the normal Army procurement system. Congressionally Dedicated Procurement program equipment is used to improve the readiness of combat, combat support, and combat service support units by providing equipment not distributed to the ARNG by the Army.

ROUND-OUT EQUIPMENT STATUS

QUESTION. General Ward, do you feel that the Army Reserve has received a fair share of the equipment provided by the Army and Congress with respect to the Reserve mission?

ANSWER. Senator Stevens, as the Army focuses its procurement efforts on combat equipment, and the major mission of the USAR is in the combat support/combat service support arena, imbalances in equipment will occur. For example, in fiscal year 1986, equipment valued at $1.9B went to the Army Reserve Components as a whole, while only $.2B of this amount was distributed to the USAR. At that level of investment it will take many years to attain the equipment fill required to adequately accomplish wartime missions. Although the current equipment distribution focus within the total Army has shifted to benefit the USAR more, Congressional allocations in the Guard and Reserve Defense Appropriation have provided a much-needed assist in equipment procurement. As the Army's Reserve Component missions have increased in number, the Army leadership has reprioritized equipment programs in support of these increases. These efforts will significantly improve the Army Reserve's equipment posture.

TRANSPORTING EQUIPMENT

QUESTION: When Guard and Reserve units train or deploy for training outside their home state, how do they transport their equipment? Do these units exercise with their dedicated air and sealift for overseas deployments?

ANSWER: When Army National Guard units train in the United States and are required to take their major end items of equipment with them, they either self-deploy (drive) or ship commercially those items necessary to meet their training objectives. If they have to ship their equipment commercially, this is accomplished in accordance with the Defense Traffic Management Regulation AR 55-355.

Air and sealift capability is not dedicated for the transportation of particular units and their equipment. Instead, the Military Traffic Management Command (MTMC) arranges transportation for units deploying overseas with major end items of equipment. This transportation is funded with JCS Exercise funds. Small detachments deploying overseas without major end items of equipment use whatever transportation is available, including commercial transportation if military transportation is not available. These deployments are funded with Army National Guard Exercise funds.

ROUNDOUT EQUIPMENT STATUS

QUESTION. When Guard and Reserve units train or deploy for training outside their home state, how do they transport their equipment? Do these units exercise with their dedicated air and sealift for overseas deployments?

ANSWER. In major exercises such as TEAM SPIRIT and REFORGER all attempts are made to use dedicated support such as air and sealifts although the cumulative cost is generally higher than using commercial assets. Within the continental U. S., units normally convoy to their deployment training sites with their equipment.

LINK UP LOCATION

QUESTION. General Palastra, do Reserve roundout units meet up with their active counterparts in the continental U. S. or in the theater to which they are deploying? Does FORSCOM have responsibility for coordinating/planning this aspect?

ANSWER. The availability of roundout units is generally later than that of their active counterparts. As such, the roundout unit will deploy after its active counterpart and link up with it in theater. However, the Army policy regarding deployment of roundout units states that reserve units will deploy with, or as soon as possible after, their active parent.

The availability of a unit is the principal factor used to determine when to deploy forces to a supported theater. This information, developed by FORSCOM, is provided by the Army through Joint Chiefs of Staff channels to the supported Commander in Chief.

FULL-TIME OVERSEAS PRESENCE

QUESTION: General Temple, what is the attitude of the National Guard leadership towards assuming a full-time overseas presence? Would units already designated for round-out missions be likely candidates for such a deployment?

ANSWER: A recent DoD Training Capability Study concluded that a year -round rotational base would be extremely difficult to maintain because of employer and family conflicts. On the surface, the differences in the composition between infantry and mechanized forces in the Active component and ARNG would preclude the ARNG from being able to provide much, if any, full-time support of the combat arms. The area which probably offers the most potential for such a presence is in Combat Support/Combat Service Support. A large number of maintenance and supply units, for example, exist within the Reserve Components which may be able to provide a full-time overseas presence. However, a careful study of the feasibility and cost effectiveness would have to be conducted before establishing such a program.

ROUND-OUT CONCEPT - NATO DEVELOPMENT

QUESTION. General Ward, would the Reserves be a good candidate for a permanent overseas mission? Would a combat support role be appropriate for the Reserves in NATO?

ANSWER. Yes, this is a good mission for the Army Reserve. At this time, we are expanding the number of US Army Reserve units in Europe to include a Medical Brigade Headquarters and two Transportation Detachments. Recruiting efforts will begin this July. Next summer, we will start recruiting for European-stationed rear area operations centers or RAOCs. Initially all of these units would be filled with Individual Ready Reserve (IRR) members currently living in the European theatre.

The Army considers RAOC units to be combat support units, because their job is protection of headquarters and support elements in the "rear areas" of the battlefield.

QUESTION. Would you find performance of this test in Korea more difficult or easier than in NATO?

ANSWER. It would be more difficult to station a USAR unit in Korea than in NATO. A USAR unit with a permanent mission in Korea requires personnel recruited from Korea to fill its ranks in the form of Individual Ready Reserve (IRR) members or prior service personnel. There is the possibility of recruiting, in country, non-prior service personnel, training them in CONUS and returning them for duty in Korea. However, there is a limited source of personnel for either of these alternatives. Europe with approximately 4000+ IRR personnel will support the activations of USAR units.

STRATEGIC LIFT FOR THE 205TH BRIGADE

QUESTION. General Corns, how confident are you of the ability of the 205th to obtain the required air and sealift to join the 6th Light in deployment? Will the roundout brigade join you in Alaska or meet you at your deployment location?

ANSWER. The 205th arrival in a theater of operations depends on a great number of variables. The most significant are: the point at which mobilization is directed; the point at which the appropriate OPLAN becomes effective; what other units are deploying and to where and by what means; and what priorities as to deploying units and theaters have been established. The required air and sealift would be a part of any plan and I believe it would be available when needed. The 205th might arrive in a theater of operations at the same time as the rest of the division or arrive soon after the rest of the division, depending upon the scenario involved.

If the division were to deploy to another theater of operations, the 205th would likely deploy directly to that theater of operations without coming to Alaska first.

FULLY CAPABLE 6th ID

QUESTION. Since the 6th ID is just forming up, how long before the Division is fully capable to deploy, inclusive of the Minnesota reserve unit?

ANSWER. The command should be able to deploy as a complete division in Fiscal Year 1990. By that time, all the divisional units will have been activated and the 205th will have been converted to a light brigade. This deployment date assumes programmed MCA is funded for housing and facilities to support activating units.

ROUNDOUT IMPACT ON DIVISION

QUESTION. From your perspective, General Corns, what impact has the inclusion of a roundout brigade as an integral component of your division had on your ability to fulfill the mission you have been assigned?

ANSWER. Right now, the roundout brigade has a significant positive impact on the division's ability to fulfill its mission because the 205th constitutes one-half of the division's maneuver force. In the future, it will constitute one-third so it will continue to have a positive impact. The evolving capability of the division to deploy world-wide will be unaffected with regard to early response and to placing the combat power of up to two brigades on the ground rapidly. In some scenarios, there would be a delay in deployment of the roundout brigade if the deployment were not preceded by adequate time to peak the brigade's readiness posture.

SUBCOMMITTEE RECESS

Chairman STENNIS. All right. We will take a recess, subject to the call of the Chair.

Thank you very much.

[Whereupon, at 11:30 o'clock, a.m., Wednesday, February 25, the subcommittee was recessed, to reconvene at the call of the Chair.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 1988

WEDNESDAY, MARCH 4, 1987

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 9:23 a.m., in room SD–192, Dirksen Senate Office Building, Hon. John Stennis (chairman) presiding.

Present: Senators Stennis, Johnston, Sasser, DeConcini, Stevens, Cochran, D'Amato and Kasten.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE NAVY

600-SHIP NAVY

OPENING REMARKS OF CHAIRMAN STENNIS

Chairman STENNIS. We'll come to order, please.

The hearings this morning are, I think, just as important as any that will be held this year. It will be worthwhile to have the facts on the record which will be presented by the gentlemen who are going to testify, who are very good indeed.

Now, I hope you gentlemen, if you have time, can stay and hear each other testify. But if you have to leave for any reason, I will understand that.

I would like to welcome the Hon. Everett Pyatt, Assistant Secretary of the Navy for Shipbuilding and Logistics; Admiral Frank B. Kelso; and Admiral James A. Lyons. They're assisted here by principal backup, Rear Admiral W.D. Smith, Director, Office of Budget and Reports, Comptroller of the Navy.

Now if some of you want to testify out of the order that I might call you, why, that will be permitted, too.

Senator Stevens, we're glad that you could be here. You're an active and far-ranging man, and I'm glad you got back in time to be here.

Do you want to ask questions or testify out of order or anything like that?

Senator STEVENS. No; I'm just here with you, Mr. Chairman. I'll just be here to learn; that's all.

Chairman Stennis. All right. I have a brief opening statement that I will make now.

OPENING STATEMENT OF CHAIRMAN STENNIS

Our hearing today focuses on our 600-ship Navy. The Navy has always been one of the cornerstones of our national defense. As an island nation, it is clear that the United States must have a strong Navy to meet its international responsibilities.

In this hearing, we shall examine the status of our Nation's naval forces, and how this budget request aids the growth and sustainment of a strong Navy.

That question about a strong Navy is not a matter of choice. It's something that we must have. We have a strong Navy now. We must keep it that way, and also add to the margin of strength.

Some 6 years ago, our Nation embarked on a course to restore a weakened Navy. The goal of this effort is to expand to 600 ships, with 15 aircraft carrier battlegroups.

This rebuilding program is rather expensive. The overall cost has caused the Congressional Budget Office and the General Accounting Office to question the affordability of a 600-ship Navy.

Others have charged that this Navy is forcing the country to short-change other conventional forces, such as Army weapons purchases.

Examining this budget, I feel not altogether certain, but I feel that we're on the right track, for funding for the Navy has been about 33 percent of the Defense budget throughout the 1980s. That means it has not grown any faster than funding for the other services.

We are not going to knowingly neglect the other services just to have a strong Navy, however pressing it may be; because they've all got to move together. In fact, since 1985, the Congress has provided fewer dollars to purchase ships and naval aircraft and to modernize the fleet.

In fiscal year 1985, Congress provided $23.7 billion to buy and modernize ships and aircraft for the Navy. This year the budget request is $23.5 billion.

Considering inflation, funding for expanding and modernizing the Navy has decreased by 10 percent in these years. Still, I'm told that we're on track to achieving a 600-ship Navy. I believe that the Navy has been able to stay on track because it has been very active in lowering the cost of shipbuilding through competition.

We will be hearing from witnesses today who can discuss the acquisition strategy of the Navy, in addition to testimony from the three commanders.

BUDGET REQUEST

The budget request before us contains $11.1 billion for shipbuilding and $9.9 billion for aircraft procurement.

MORE BANG FOR THE BUCK

The committee will be reviewing these accounts, along with funding for weapons and readiness, in its efforts to ensure that every dollar is being spent efficiently and effectively.

Now that is essential, gentlemen. I'm concerned about the amount of money we spend, like any other Member of the Senate, the Congress. And I think there is something we can do about how this money is spent.

I think we must exhaust every effort to make it go further. And I believe that something can be accomplished in that field.

I could supply a long list of details about it. Some of the time that I served on the committee, what helped me as much as anything else was to be on a small subcommittee way back yonder, years ago, the Military Construction Subcommittee.

And I went out in the States, I went to other countries too, somewhat, although I'm not much of a traveller, and I found plenty of illustrations that I could recognize myself.

Not just the Navy alone, but all the services, could do a better job for the value received for the dollars they're entrusted with. And I think they realize that.

With the burden now of large Federal deficits, we simply must be sure that our dollars are not being wasted.

To help u$ in our review today, we will be hearing from three witnesses representing all sides. Those who make recommendations on what to buy, and those who use the equipment purchased.

From these separate viewpoints, we hope to get a clearer understanding of the needs of our naval forces, and how the budget that is presented meets these needs.

INTRODUCTION OF WITNESSES

I am pleased to welcome here today, Admiral Frank W. Kelso, the Commander in Chief of the Atlantic fleet, and Admiral James A. Lyons, Jr., the Commander in Chief of the Pacific fleet.

Representing the Navy headquarters here in Washington, we have Mr. Everett Pyatt, the Assistant Secretary of the Navy for Shipbuilding and Logistics.

These gentlemen are accompanied by Rear Admiral William Smith, Director of the Office of Budget and Reports.

Gentlemen, we look forward to your testimony.

Senator, do you have something you want to say as ranking minority member at this point?

Senator STEVENS. Mr. Chairman, I think that in the days when I occupied your chair, those 6 years, you influenced me greatly in this area.

And so I am here today to let you influence me again. I'm happy to be with you.

Chairman STENNIS. Well, I wasn't expecting to get a compliment, but I appreciate it.

Admiral Kelso, we will proceed with your statement now, and Admiral Lyons will follow, and then Secretary Pyatt.

All right, gentlemen, welcome to all of you, and you proceed in your own good way.

U.S. ATLANTIC FLEET

STATEMENT OF ADMIRAL FRANK B. KELSO II, COMMANDER, U.S. ATLANTIC FLEET

CONDITION OF ATLANTIC FLEET

Admiral KELSO. Thank you, Senator. I appreciate the opportunity to appear before your committee.

I have a prepared statement which I have submitted. With your permission, sir, I will shorten that in order to leave time for questions and my colleagues, sir.

Chairman STENNIS. We appreciate your being interested in saving time. But we don't want you to be too brief here today. This is your day.

I mean, we set this thing up where you'd have a chance to shoot from both shoulders.

Admiral KELSO. Yes, sir. I want to express my appreciation, sir, on behalf of our fleet sailors and Marines for the bipartisan congressional support you have provided to our fleet.

It is my opinion that the Atlantic fleet is in better shape to carry out its mission than at any time in recent history.

We have better equipment coming into the fleet. We are retaining more good people, and are getting maximum readiness return from our training.

STEAMING AND FLYING HOURS

Our steaming hours and flying hours are adequate. Our stocks of ordnance and spare parts are still growing. The trends are positive.

The ships and units we are deploying are ready. The best example I can give you of fleet readiness is that during the period January to April 1986, while we were operating at high tempo off of Libya, we flew over 3,000 aircraft sorties off of three carriers without one significant incident.

This is proof of sustained readiness under near combat conditions.

This type of outstanding fleet readiness is becoming the rule in 1986 and 1987 rather than an exception. It is a loud and clear signal of your budget support, resulting in higher combat readiness.

In the Atlantic fleet, we derive our maritime strategy from the larger context of national security strategy. In short, my job is to train, maintain and operate naval forces in support of the maritime component of national strategy.

We deploy these ready naval forces under the operational command of the unified commanders in chief. We operate our forces in peacetime deployments and exercises much as we would in wartime.

Peacetime training tests our national and NATO capacity to stop any Soviet aggression. I also want to emphasize that we operate and train regularly with both our sister services and our allies.

SOVIET NAVAL THREAT

Clearly the Soviet Navy threat is expanding. It is a global, offensive capable, bluewater force. The Soviet Navy has demonstrated a capability to project Naval air, surface, and submarine forces into the vital Atlantic sealanes, including the South Atlantic, Gulf of Mexico, and Caribbean.

Their Navy now has routine base accesses in Angola, West Africa, and in Cuba, astride our vital sea lines.

SUBMARINE WARFARE

The greatest Soviet threat to our Atlantic sea lines are the 200 Soviet submarines and the Soviet western fleets. This is why our number one priority in the Navy is antisubmarine warfare.

The U.S. lead in antisubmarine warfare is substantial but narrowing. In time of conflict, which is a guage we must use to measure our fleet force structure needs, the U.S. Second Fleet will become the heart of the Atlantic NATO striking force.

ATLANTIC FLEET

We will need to conduct prompt, sustained Naval operations in the North Atlantic, the Eastern Atlantic around Iceland and the Norwegian Sea, North Sea, or Baltic Sea areas.

It is my judgment that we must have in wartime a minimum naval force in the Second Fleet of four or five aircraft carriers; one battleship battle group; and three underway replenishment groups.

The Atlantic fleet will be called upon in conflict as well as peacetime to provide our forces to the U.S. Sixth Fleet in the Mediterranean.

The Sixth Fleet will need in a conflict period, in my opinion, four carrier battle groups, and one battleship battle group; two underway replenishment groups.

600-SHIP NAVY

In my judgment, we clearly need the 600-ship Navy and 15 carrier battle groups to meet our strategic commitments.

I am optimistic about the future if we sustain the 600-ship Navy. It is my judgment that our military risks vis-a-vis the Soviets will grow over the years ahead.

My view is that a 600-ship Navy with 15 carriers is a necessary force level in view of the threat and its growing capabilities.

From a fleet view, sir, we will continue to work hard to use our narrowing edge in technology and our innovative people to be ready to fight as smartly as we can with the resources you provide.

This we have done. This the American sailor will continue to do.

LONG-RANGE BUDGET SUPPORT

We would ask in return a consistent long-range budget support. We must avoid short-term roller-coaster crisis management. Such changing budget signals always have a negative effect on our people, fleet readiness, and perceived military strength.

Finally, sir, I would like to invite you and all the members of your committee and your staff to visit our fleet. The young men and women working long hours that make the Navy go.

Everyone who visits our sailors and Marines at sea come back with a positive feeling. George Steinbrenner, who runs the New York Yankees, a well known entrepreneur, visited the carrier *John F. Kennedy* in the last year. He wrote after that, he didn't know how we did it. The business community doesn't know how to get that type of productivity out of people.

James Kilpatrick recently visited his son in the Mediterranean. This young man is a chief petty officer on a frigate. "The drills and hard work never stopped. It was a sobering reminder that the way to preserve peace is constantly to prepare for war."

That's my prepared statement, Senator.

Chairman STENNIS. I think, gentlemen, we have these representatives of the Navy here. It seems to me that we should let all three of them testify and then have the questions, rather than divide it up as to each one.

So if there's no objection, we'll proceed in that way.

[The prepared statement of Admiral Kelso follows:]

PREPARED STATEMENT OF ADM. FRANK B. KELSO, II, USN

COMMANDER-IN-CHIEF, U.S. ATLANTIC FLEET

MR CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I AM PLEASED TO HAVE THIS OPPORTUNITY, ALONG WITH ADMIRAL LYONS, TO PRESENT A FLEET PERSPECTIVE ON THE STATUS OF OUR NAVAL FORCES AND NEED FOR CONTINUED SUPPORT OF THE 600 SHIP NAVY.

I WANT TO EXPRESS APPRECIATION, ON BEHALF OF OUR FLEET SAILORS AND MARINES, FOR THE BI-PARTISAN CONGRESSIONAL SUPPORT YOU HAVE PROVIDED. I WOULD PARTICULARLY CITE THE KEY AREAS OF OPERATIONS, MAINTENANCE, SUSTAINABILITY AND QUALITY OF LIFE ISSUES. I WAS AGAIN REMINDED RECENTLY, AS SOME OF OUR ATLANTIC FLEET SHIPS WERE EXTENDED IN THE MEDITERRANEAN, OF THE DAILY FAMILY SACRIFICES OUR SEAGOING PEOPLE ROUTINELY FACE. IT IS MY BELIEF THAT YOUR CONTINUED SUPPORT OF PROGRAMS WHICH IMPROVE THE QUALITY OF LIFE OF OUR SERVICEMEN AND WOMEN AND THEIR FAMILIES ARE CRITICAL TO THEIR RETENTION AND THEREBY TO READINESS OF THE FLEET.

ATLANTIC FLEET STATUS

IT IS MY OPINION THAT THE ATLANTIC FLEET IS IN BETTER SHAPE TO CARRY OUT ITS MISSION THAN AT ANY TIME IN RECENT HISTORY. WE HAVE BETTER EQUIPMENT COMING INTO THE FLEET, WE ARE RETAINING MORE GOOD PEOPLE AND ARE GETTING MAXIMUM READINESS RETURN FROM OUR TRAINING. OUR STEAMING HOURS AND FLYING HOURS ARE ADEQUATE. OUR STOCKS OF ORDNANCE AND SPARE PARTS ARE STILL GROWING. THE TRENDS ARE POSITIVE. THE SHIPS AND UNITS WE ARE DEPLOYING ARE READY. FOR EXAMPLE, WE RECENTLY SAILED THE TWELVE SHIP USS NIMITZ BATTLE GROUP; AND FIVE SHIPS OF AMPHIBIOUS SQUADRON FOUR (WITH 1,900 MARINES EMBARKED) TO THE SIXTH FLEET WITH NO OUTSTANDING MATERIAL OR OTHER DEFICIENCIES. ALSO, WE JUST DEPLOYED FOUR DESTROYERS AND FRIGATES ENROUTE TO THE MIDDLE EAST FORCE, AGAIN WITH ZERO DEFICIENCIES. THE BEST EXAMPLE I CAN GIVE YOU OF FLEET READINESS IS THAT DURING THE PERIOD JANUARY TO APRIL 1986, WHILE WE WERE OPERATING AT A HIGH TEMPO OFF LIBYA, WE FLEW OVER 3,000 AIRCRAFT SORTIES OFF OF THREE CARRIERS (CV/CVNs) WITHOUT ONE SIGNIFICANT INCIDENT. THAT IS PROOF OF SUSTAINED READINESS UNDER NEAR COMBAT CONDITIONS. THIS TYPE OF OUTSTANDING FLEET READINESS IS BECOMING THE RULE IN 1986-87 RATHER THAN THE EXCEPTION. THIS IS A LOUD AND CLEAR SIGNAL OF YOUR BUDGET SUPPORT RESULTING IN HIGHER COMBAT READINESS.

STRATEGY

WE OPERATE THE ATLANTIC FLEET TO SUPPORT OUR NATIONAL STRATEGY AND THE THREE SUPPORTING PILLARS OF DETERRENCE, FORWARD DEFENSE, AND ALLIANCE SOLIDARITY.

MARITIME STRATEGY

IN THE ATLANTIC FLEET, WE DERIVE OUR MARITIME STRATEGY FROM THE LARGER CONTEXT OF NATIONAL SECURITY STRATEGY. IN SHORT, MY JOB IS TO TRAIN, MAINTAIN AND OPERATE NAVAL FORCES IN SUPPORT OF THE MARITIME COMPONENT OF NATIONAL STRATEGY. WE DEPLOY THESE READY NAVAL FORCES UNDER THE OPERATIONAL COMMAND OF THE UNIFIED THEATER COMMANDERS IN CHIEF. OUR BROAD MISSIONS ARE:

O ENSURE FREEDOM OF THE SEAS FOR US AND OUR

- TO PROJECT MARITIME SUPERIORITY IN CERTAIN VITAL ATLANTIC OCEAN AREAS DENYING THOSE AREAS TO OUR ENEMY.

- TO PROJECT NAVAL POWER OVERSEAS TO ASSIST OUR ALLIES IN THE LAND BATTLE AND TO ENSURE THE RESUPPLY OF EUROPE.

I WANT TO STRESS THAT WE OPERATE OUR NAVAL FORCES IN PEACETIME DEPLOYMENTS AND EXERCISES MUCH AS WE WOULD IN WARTIME. FOR EXAMPLE, OUR MAJOR NORTHERN WEDDING EXERCISE '86 INVOLVED NATIONAL AND COMBINED NATO NAVAL OPERATIONS STRETCHING FROM THE EAST COAST, TO THE NORTHERN ATLANTIC-NORWEGIAN SEA, WE HAD AMPHIBIOUS LANDINGS IN NORWAY AND NAVAL OPERATIONS IN THE BALTIC SEA. THIS TYPE OF PEACETIME TRAINING TESTS OUR NATIONAL AND NATO CAPACITY TO STOP ANY SOVIET AGGRESSION. NORTHERN WEDDING INVOLVED 150 SHIPS, COMBINED MULTI-CARRIER BATTLE GROUP OPERATIONS, REINFORCEMENT CONVOY OPERATIONS AND SEA CONTROL. I ALSO WANT TO EMPHASIZE THAT WE OPERATE AND TRAIN REGULARLY WITH BOTH OUR SISTER SERVICES AND OUR ALLIES. BASICALLY WHAT DRIVES MY FLEET FORCE STRUCTURE NEEDS IS THE BASIC ELEMENTS OF: (1) WHAT VITAL OCEAN AREAS I MUST PROTECT OR KEEP OPEN; (2) WHAT OUR ALLIANCE COMMITMENTS (PARTICULARLY NATO) ARE; AND, (3) WHAT THE SOVIET NAVAL THREAT IS.

CLEARLY, THE SOVIET NAVY THREAT IS EXPANDING AND IS A GLOBAL OFFENSIVE-CAPABLE, BLUE-WATER FORCE. THE SOVIET NAVY HAS DEMONSTRATED THE CAPABILITY TO PROJECT NAVAL AIR, SURFACE, AND SUBMARINE FORCES INTO THE VITAL ATLANTIC SEALANES INCLUDING THE SOUTH ATLANTIC, GULF OF MEXICO AND CARIBBEAN. THEIR NAVY NOW HAS ROUTINE BASE ACCESS IN ANGOLA, WEST AFRICA AND IN CUBA, ASTRIDE OUR VITAL SEALANES.

AS AN EXAMPLE OF HOW OUR MARITIME STRATEGY RELATES TO THE LAND BATTLE IN EUROPE, 50 PERCENT OF THE ARMY'S SUPPLIES AND HEAVY EQUIPMENT, SUCH AS TANKS, MUST MOVE, VIA SEA, FROM THE GULF OF MEXICO PORTS TO EUROPE IN WARTIME. ALSO, OUR EUROPEAN ALLIES STILL DEPEND HEAVILY ON THE SOUTH ATLANTIC SEA LANES TO BRING OIL AROUND AFRICA FROM THE MIDDLE EAST. IN WARTIME THERE IS NO SEPARATE LAND AND SEA CAMPAIGN - THEY ARE BOTH TOO CLOSELY LINKED.

THE GREATEST SOVIET THREAT TO OUR ATLANTIC SEA LINES ARE THE 200 SOVIET SUBMARINES IN THE SOVIET NORTHERN (THEIR ATLANTIC) FLEET. IF 14 OF HITLER'S U-BOATS COULD SINK OVER 114 MERCHANT SHIPS, OFF OUR SHORES - IN THE ATLANTIC AND GULF OF MEXICO - DURING A SEVEN MONTH PERIOD IN 1942, YOU CAN IMAGINE WHAT QUIETER AND MORE CAPABLE SOVIET NUCLEAR POWERED SUBMARINES COULD DO IF THEY WERE ALLOWED TO OPERATE OFF OUR SHORES TODAY. THIS IS WHY OUR NUMBER ONE PRIORITY IN THE NAVY TODAY IS ANTI-SUBMARINE WARFARE. THE U.S. LEAD IN ANTISUBMARINE WARFARE IS SUBSTANTIAL, BUT NARROWING. AN UNUSUAL BUT DRAMATIC PUBLIC EXAMPLE OF HOW SOVIET SUBMARINES OPERATE SILENTLY OFF OUR SHORES WAS DEMONSTRATED LAST YEAR WITH THE SOVIET YANKEE ACCIDENT IN THE ATLANTIC.

SUBMARINES

I FEEL I SHOULD SAY A WORD ABOUT OUR SUBMARINE FORCE. IN THE ATLANTIC FLEET WE HAVE ABOUT HALF OF THE NAVY'S 100 ATTACK SUBMARINES ASSIGNED. IN ADDITION, WE HAVE ABOUT 30 FLEET BALLISTIC MISSILE SUBMARINES. THE NEWEST TRIDENT MISSILE SUBMARINE, USS TENNESSEE (SSBN 734) WAS LAUNCHED LAST DECEMBER

AND WILL JOIN THE ATLANTIC FLEET IN 1989. THIS IS THE NINTH TRIDENT SUBMARINE BUT IS THE FIRST TO BE EQUIPPED WITH THE TRIDENT II (D-5) MISSILE AND WILL BE THE FIRST TRIDENT SUBMARINE ASSIGNED TO THE ATLANTIC FLEET AND HOMEPORTED AT THE KINGS BAY, GEORGIA, SUBMARINE BASE. I AM PROUD THAT THE TRIDENT PROGRAM IS ON THE RIGHT COURSE! REGARDING OUR ATTACK SUBMARINES, WHICH ARE USED IN MANY ROLES, I FEEL THAT WITH THE INCREASING QUALITY OF THE SOVIET SUBMARINE FORCE, WE MUST TAKE IMMEDIATE STEPS TO MODERNIZE OUR ATTACK SUBMARINE CAPABILITY. THE SSN-21 PROGRAM WILL GIVE US THE INCREASED SUBMARINE CAPABILITY WE'LL BADLY NEED IN THE 1990s IF WE ARE TO MAINTAIN THE EDGE IN SUBMARINE TECHNOLOGY. I FULLY SUPPORT THE SSN-21 PROGRAM.

OTHER SOVIET GROWING CHALLENGES ARE IN THE AREAS OF:

- DEPLOYMENTS OF VERY ADVANCED ANTI-SHIP MISSILES, SUCH AS THE SS-NX-21 COPY OF THE TOMAHAWK.

- IMPROVED OVER-THE-HORIZON TARGETING CAPABILITY.

- IMPROVED SUBMARINE QUIETNESS AND COMBAT SYSTEM SOPHISTICATION, SUCH AS IN THE MIKE, SIERRA, AND AKULA CLASSES SOVIET NUCLEAR POWERED ATTACK SUBMARINES.

IT IS ALSO CLEAR THAT MY JOB IS FAR EASIER IF I CAN USE GEOGRAPHY TO "BOTTLE UP" THE SOVIET NAVY BY MOVING MY FORCES INTO FORWARD OFFENSIVE POSITIONS. A GOOD DEFENSE IS A GOOD FORWARD OFFENSE IN THE ATLANTIC. IF WE ALLOW A MAJOR BREAKOUT OF SOVIET NAVAL UNITS IN THE ATLANTIC OPEN OCEAN AREAS, IN WARTIME, WE FACE A VERY DIFFICULT CHALLENGE.

IN WARTIME, WHICH IS THE GAGE WE MUST USE TO MEASURE OUR FLEET FORCE STRUCTURE NEEDS, THE U.S. SECOND FLEET WILL BECOME THE HEART OF THE ATLANTIC NATO STRIKING FORCE. WE WILL NEED TO CONDUCT PROMPT, SUSTAINED NAVAL OPERATIONS IN THE NORTH ATLANTIC, THE EASTERN ATLANTIC, AROUND ICELAND, THE NORWEGIAN SEA, NORTH SEA OR BALTIC SEA AREAS. AT THE SAME TIME, WE CANNOT NEGLECT THE CARIBBEAN AND SOVIET NAVAL FORCES IN THE SOUTH ATLANTIC ALONG THE WEST AFRICAN SEA LANES. IT IS MY JUDGEMENT THAT WE MUST HAVE IN WARTIME A MINIMUM NAVAL FORCE, IN THE SECOND FLEET, OF FOUR OR FIVE CARRIER BATTLE GROUPS, ONE BATTLESHIP BATTLE GROUP, AND THREE UNDERWAY REPLENISHMENT GROUPS.

AS WE DO NOW IN PEACETIME, I WOULD EXPECT THAT THE ATLANTIC FLEET WOULD BE CALLED UPON IN WARTIME TO PROVIDE NAVAL FORCES TO THE SIXTH FLEET. THE EUROPEAN COMMAND NAVAL FORCE NEEDS, IN THE SIXTH FLEET, INCLUDE A MINIMUM OF FOUR CARRIER BATTLE GROUPS, ONE BATTLESHIP BATTLE GROUP, AND TWO UNDERWAY REPLENISHMENT GROUPS. IN MY JUDGEMENT, WE CLEARLY NEED THE 600 SHIP NAVY AND 15 CARRIER BATTLE GROUPS TO MEET OUR STRATEGIC COMMITMENTS.

SUSTAIN 600 SHIP NAVY

AS I VIEW OUR CHALLENGE TODAY, IT IS TO SUSTAIN THE 600 SHIP NAVY WHICH WILL FACE A GROWING SOVIET NAVY CHALLENGE IN THE 1990s.

THREE FORCE SUSTAINABILITY ISSUES CONCERN ME AS A FLEET COMMANDER. FIRST, MANNING THE GROWING FLEET; SECOND, REPLACING OUR OLDER, LESS CAPABLE CARRIERS TO MAINTAIN 15 CARRIERS INTO

THE FUTURE: AND THIRD, MAINTAINING THE SUPPORT REQUIRED TO CONTINUE THE BUILD UP OF "SMART" ORDNANCE.

MANNING - END STRENGTH

WHILE CONGRESS HAS AUTHORIZED AND APPROPRIATED NEW SHIPS, AND SUPPORT UNITS WHICH ARE COMING ON LINE, WE SEE OUR REQUESTS FOR END STRENGTH INCREASES TO CREW THOSE SHIPS AND SUPPORT UNITS NOT BEING AUTHORIZED BY CONGRESS. MY CONCERN IS ONE OF FLEET READINESS. WE MUST MAN THESE FLEET UNITS AT OR NEAR 100 PERCENT OR FACE THE OLD MANPOWER SHORTAGE DRIVEN READINESS PROBLEMS. WE HAVE RESORTED, WITH CONGRESSIONAL CONCURRENCE, TO DRAWING DOWN ON ASHORE SUPPORT FACILITIES TO MAN THE FLEET BUT, IT IS MY OPINION WE HAVE SQUEEZED THAT OPTION ABOUT AS HARD AS WE CAN.

FOR EXAMPLE, THIS FISCAL YEAR (1987), WE EXPECT THE ATLANTIC FLEET TO HAVE A NET GAIN OF ABOUT ELEVEN NEW SHIPS, INCLUDING USS THEODORE ROOSEVELT, THREE AEGIS CRUISERS AND FOUR LOS ANGELES CLASS ATTACK SUBMARINES. IT SHOULD BE CLEAR WE NEED INCREASED END STRENGTH.

MANNING - SRB

ONE OTHER MANPOWER ISSUE OF CONCERN IS RETENTION OF THE RIGHT MIX OF CRITICAL SEA DUTY SKILLS. SELECTIVE RE-ENLISTMENT BONUSES (SRBs) ARE A PROVEN RETENTION PERSONNEL MANAGEMENT TOOL. WE MUST HAVE SUFFICIENT DOLLARS AND FLEXIBILITY TO USE THESE BONUSES. I AM CONCERNED ABOUT SOME SHORTAGES IN ENGINEERING RATINGS, SUCH AS BOILER TENDER AND MACHINIST MATES. I ASK FOR YOUR SUPPORT FOR FULL FUNDING OF SRB FOR CRITICAL SKILL AREAS.

MAINTAINING 15 CARRIERS

THE NEED FOR SEABASED TACTICAL AIRPOWER WILL CONTINUE INTO THE FORESEEABLE FUTURE. THE STRIKING POWER OF OUR 15 CARRIER BATTLE GROUPS REMAINS AS A KEY TO OUR MARITIME SUPERIORITY, OVER THE SOVIET NAVY. IN ADDITION TO THE WARTIME REQUIREMENTS FOR 15 CARRIERS, WE MUST RECOGNIZE THAT A REASONABLE PEACETIME OPERATIONAL DEPLOYMENT TEMPO IS NECESSARY TO ALLOW OUR NAVY PEOPLE TO HAVE THE EXPECTATION OF SPENDING A REASONABLE TIME AT HOME WITH THEIR FAMILIES. WE DEFINE REASONABLE AS 12 MONTHS FOR A SHIP OR UNIT IN HOMEPORT AFTER A SIX MONTH DEPLOYMENT AWAY FROM HOMEPORT. AT LEAST HALF THE TIME BETWEEN OVERHAULS, THE UNIT SHOULD BE IN ITS HOMEPORT. RECENTLY, WORLD EVENTS HAVE KEPT SOME OF OUR ATLANTIC FLEET UNITS DEPLOYED OVER SIX MONTHS. BUT OUR OPERATIONAL PERSONNEL PEACETIME TEMPO GOAL REMAINS. FRANKLY, I BELIEVE OUR PEOPLE SHOULD BE ABLE TO SPEND A REASONABLE AMOUNT OF TIME WITH THEIR FAMILIES.

LET ME DESCRIBE THE SCHEDULE OF THE USS SARATOGA BATTLE GROUP, AS AN EXAMPLE OF THE HEAVY DEMANDS WE PLACE ON OUR FLEET SAILORS AND EQUIPMENT.

JAN-FEB 1986 -- INDIAN OCEAN
MAR-APR 1986 -- MEDITERRANEAN-LIBYA OPS
16 APR 1986 --- RETURNED TO MAYPORT, FLORIDA (HOMEPORT)
MAY-AUG 1986 -- INPORT TRAINING REPAIRS
SEP-DEC 1986 -- REFRESHER TRAINING
JAN-FEB 1987 -- EXERCISES, INCLUDING FLEETEX 1-87 IN THE WESTERN ATLANTIC AND CARIBBEAN, AND IN
APR-MAY 1987 -- EXERCISE SOLID SHIELD 87.
SUMMER 1987 --- DEPLOY TO SIXTH FLEET

THE 40-YEAR OLD CARRIER CORAL SEA IS CALLED THE "AGELESS WARRIOR", AND THROUGH THE GRIT AND SWEAT OF ITS CREW THIS WORLD WAR II DESIGNED CARRIER IS STILL STEAMING AND LAUNCHING AIRCRAFT. BUT FRANKLY, THE SHIP IS WEARING OUT. THE FACT IS WE MUST TAKE ACTION NOW TO REPLACE OUR OLDER CARRIERS.

I AM PROUD OF THE CORAL SEA, WHICH WAS ONE OF THREE CARRIERS I COMMANDED IN SIXTH FLEET, DURING THE EVENTS OFF LIBYA. BUT, I MUST TELL YOU THAT I WAS VERY MUCH AWARE OF MANY OPERATIONAL LIMITATIONS OF THE CORAL SEA VIS-A-VIS HER LARGER, MORE CAPABLE SISTER SHIPS, SUCH AS USS AMERICA. OLDER, AND LESS CAPABILITY, IS NOT BETTER IN COMBAT.

SO, I RECOMMEND THE CONGRESS TAKE TIMELY ACTION TO REPLACE OUR OLDER CARRIERS AND MAINTAIN OUR 15 CARRIER FORCE.

SUSTAINABILITY - SMART ORDNANCE

IN THE FLEET OUR JOB IS TO PUT ORDNANCE ON TARGET, WITHIN STRICT RULES OF ENGAGEMENT. WE MUST CONTINUE TO FILL OUR MAGAZINES WITH MODERN "SMART" OR "HIGH TECH" WEAPONS. OUR RECENT EXPERIENCE, IN OPERATIONS AGAINST SOPHISTICATED SOVIET SUPPLIED LIBYAN AIR DEFENSE SYSTEMS AND LIBYAN MISSILE BOATS, PROVED THAT OUR USE OF HIGH TECHNOLOGY AND SMART WEAPONS IS THE RIGHT COURSE. IT GIVES OUR PEOPLE THE NECESSARY COMBAT EDGE IN MODERN WARFARE. HIGH TECHNOLOGY WEAPONS, SUCH AS THE HIGH-SPEED ANTI-RADIATION MISSILE (HARM); SECURE SATELLITE COMMUNICATIONS; ELECTRONIC WARFARE SYSTEMS; AND MODERN ANTI-AIR WARFARE BATTLE MANAGEMENT SYSTEMS - SUCH AS AEGIS - PROVIDE THE EDGE FOR A SUCCESSFUL MISSION AND CLEARLY SAVE AMERICAN LIVES. AGAIN, I HOPE YOU WILL CONTINUE YOUR SUPPORT OF ENHANCED FLEET ORDNANCE SUSTAINABILITY, ESPECIALLY IN THE NOW-PROVEN HIGH TECHNOLOGY WEAPONS AND OTHER SUPPORTING SYSTEMS.

LOOKING AHEAD

I AM OPTIMISTIC ABOUT THE FUTURE IF WE SUSTAIN THE 600 SHIP NAVY. IT IS MY JUDGEMENT THAT OUR MILITARY RISKS WILL INCREASE VIS-A-VIS THE GROWING CAPABILITIES OF THE SOVIET NAVY IN THE 1990s. AS I HAVE SAID, MY VIEW IS THAT A 600 SHIP NAVY WITH 15 CARRIERS IS A NECESSARY FORCE LEVEL IN VIEW OF THE THREAT AND OUR COMMITMENTS.

FROM A FLEET VIEW, WE WILL CONTINUE TO WORK HARD TO USE OUR NARROWING EDGE IN TECHNOLOGY AND OUR INNOVATIVE PEOPLE TO BE READY TO FIGHT AS SMARTLY AS WE CAN WITH THE RESOURCES YOU PROVIDE US. THIS WE HAVE ALWAYS DONE. THIS THE AMERICAN SAILOR WILL CONTINUE TO DO. WHAT WE WOULD ASK IN RETURN IS MORE CONSISTENT LONG-RANGE BUDGET SUPPORT. WE MUST AVOID SHORT-TERM ROLLER COASTER CRISIS BUDGET MANAGEMENT. SUCH CHANGING BUDGET SIGNALS ALWAYS HAVE A NEGATIVE AFFECT ON OUR PEOPLE, FLEET READINESS AND PERCEIVED MILITARY STRENGTH.

FINALLY, I INVITE YOU TO VISIT OUR FLEET - THE YOUNG MEN AND WOMEN WORKING LONG HOURS THAT MAKE THE NAVY GO - NOT THE ADMIRALS.

EVERYONE WHO VISITS OUR SAILORS AND MARINES AT SEA COME BACK WITH A POSITIVE FEELING. GEORGE STEINBRENNER, WHO OWNS THE NEW YORK YANKEES AND IS A WELL KNOWN ENTREPENEUR, VISITED THE CARRIER JOHN F. KENNEDY AND WROTE THAT, "HE DIDN'T KNOW HOW WE DID IT. THE BUSINESS COMMUNITY DOESN'T KNOW HOW TO GET THAT

TYPE OF PRODUCTIVITY OUT OF PEOPLE," HE SAID. NATIONAL COLUMNIST JAMES J. KILPATRICK RECENTLY VISITED HIS SON, WHO IS A CHIEF PETTY OFFICER ON A SIXTH FLEET FRIGATE, AND WROTE, "THE DRILLS AND HARD WORK NEVER STOPPED AND WAS A SOBERING REMINDER THAT THE WAY TO PRESERVE PEACE IS CONSTANTLY TO PREPARE FOR WAR."

U.S. Pacific Fleet

STATEMENT OF ADMIRAL JAMES A. LYONS, JR., U.S. NAVY, COMMANDER IN CHIEF, U.S. PACIFIC FLEET

BIOGRAPHICAL SKETCH

Chairman Stennis. The next witness I have is Admiral Lyons.

All right, Admiral Lyons, we're glad to have you here now. We're not excusing anyone, because we will have questions for all of you later.

I wish you would say something about your record. You have charge of an area. Give us a little of your history, your naval career.

Admiral Lyons. I first went to sea at the end of World War II. I started off as a fireman on the John B. Archibald; went into the Naval Academy in 1948, and graduated in 1952.

I've been primarily a destroyer and cruiser officer; had command of a destroyer; command of a guided missile cruiser; and have been the chief of staff of a carrier group.

I've served as director of politicomilitary affairs on the staff of the Joint Chiefs of Staff. That gave me one of my first direct interfaces with the Soviets, when I was a JCS representative at the conventional arms limitation talks, commonly known as the CAT talks.

And from there, I went out to the Western Pacific to take command of a task force. I was headquartered at Subic Bay. I next took over command of the Second Fleet and the NATO striking fleet, Atlantic, and Joint Task Force 120.

And then I was the Deputy Chief of Naval Operations for Plans, Policy and Operations, at which time I had the opportunity to go to the Soviet Union and head our delegation for the incidents at sea talks in Moscow in May/June, 1984. At that time the Incidents at Sea Talks were really the only official communications between our two governments.

That experience gave me an opportunity to travel around the Soviet Union, and to judge for myself their society, where their money goes, how they're able to sustain the tremendous sized military forces that they have; and the hardship and suffering that are imposed on their people.

In September 1985, I took over command of the Pacific Fleet, where I've been privileged to be part of an historic event in being able to take our three ships in to Qing Dao, China, last November for the first port visit in over 37 years.

So it's been a fascinating life for me, and I wouldn't change a thing.

Chairman Stennis. All right. You have a prepared statement, there, I know. You may read it now.

Admiral LYONS. What I would like to do, Mr. Chairman, is, you have a copy of my formal statement, and I'd like to enter that into the record.

Chairman STENNIS. Without objection, your formal statement will be placed in the record.

ACTIVITIES OF PACIFIC FLEET

Admiral LYONS. And what I would like to do this morning is to walk the committee through a series of slides and vugraphs which I think will visibly display what we're doing in the Pacific fleet, and in that sense, what we're doing in the Navy, where your money has gone. In that regard, I want to tell you we certainly appreciate the support of this committee—yours, Mr. Chairman, in particular—and that of the Congress in general over the years.

It is that support which gives me the confidence to stand up here today and tell you, your Pacific fleet is well. Not only well, but the correlation of forces in the Pacific is in our favor, and it's in our favor for two reasons: our technology and our people.

And our people are the most important. I never cease to be amazed by the ingenuity and the initiative of the American sailor. They're the ones that put it all together, and they make it happen.

And, in fact, I consider them our national treasure.

We in the Pacific feel we're in a renaissance. In fact, in the Pacific today, we view the United States as more interdependent with the countries of that region than at any time in our history.

And by that I mean, many critical components for our major weapons sytems primarily are coming from the industries of East Asia. There's an interdependency there that I would like to see somewhat lessened.

And we can do it in several ways, through stockpiling, learning to compete better, and so on. But nonetheless, there will be a fundamental interdependency that will not change and that can be a positive factor as well.

POWER OF ASIAN PACIFIC REGION

As a former colleague of yours said, our great Ambassador to Japan, Mike Mansfield, has said, the next 100 years are going to be the century of the Pacific, and I fully support that view.

Today, two-thirds of the world's gross national product resides in the Asian Pacific region, with the No. 1 and No. 2 economies of the world, the United States and Japan, leading that statistic.

By 1991 two-thirds of the world population will be in the Asia Pacific region.

We see this—all our trade indicators, since 1980, have been positive with regard to the Pacific versus our traditional trading partners in Europe.

In 1985 our two-way trade in the Pacific was $185 billion. That's 40 percent more than with our traditional trading partners in Europe.

In 1986, the two-way trade figure was $215 billion. That's more than 50 percent greater than with our traditional trading partners.

And I don't see anything in the foreseeable future that's going to change that. I'd like to see the balances shifted around in favor of the United States. But that fundamental interdependency is not going to change.

Now, I think my primary mission in the Pacific, as it is for all our armed forces, is to maintain the proper level of deterrence and, should deterrence fail, to carry out whatever directives are ordered by the National Command authorities and win, and I think we can.

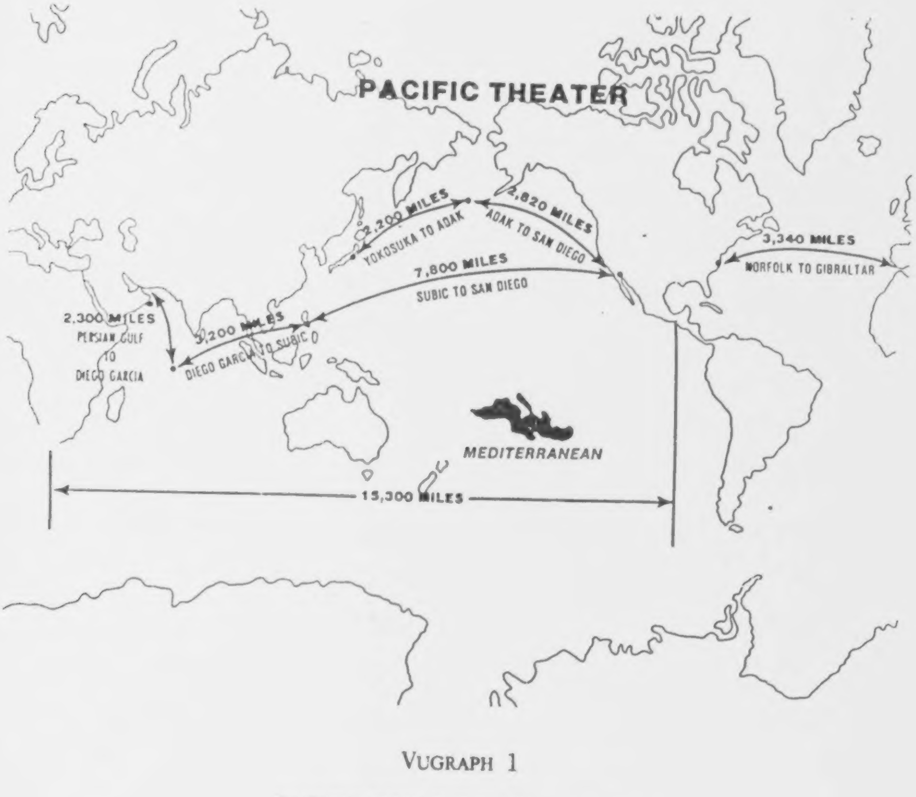
VUGRAPH PRESENTATION

Now, I think to get a full feel for the maritime theater of the Pacific, I would like to walk you through some vugraphs with your permission, Senator.

Chairman STENNIS. All right. We want to spread this time around among those who are testifying as well as those on the committee. How much time do you think you need for that?

Admiral LYONS. I am going to walk through them in about 10 or 15 minutes.

Chairman STENNIS. All right.


PACIFIC THEATER
2,200 MILES
YOKOSUKA TO ADAK
2,820 MILES
ADAK TO SAN DIEGO
3,340 MILES
NORFOLK TO GIBRALTAR
7,800 MILES
SUBIC TO SAN DIEGO
2,300 MILES
PERSIAN GULF
TO
DIEGO GARCIA
3,200 MILES
DIEGO GARCIA TO SUBIC
MEDITERRANEAN
15,300 MILES

VUGRAPH 1

PACIFIC-INDIAN OCEAN THEATER

Admiral LYONS. And I have copies of these for all the members of the committee. I think the one thing that I would like you to take away from this vugraph is the tremendous enormity of the Pacific-Indian Ocean theater, 102 million square miles. It is primarly a maritime theater. In fact, in my view the key underpinning to our national strategy is maritime superiority. Can you see these, Mr. Chairman? Can you see this all right from here?

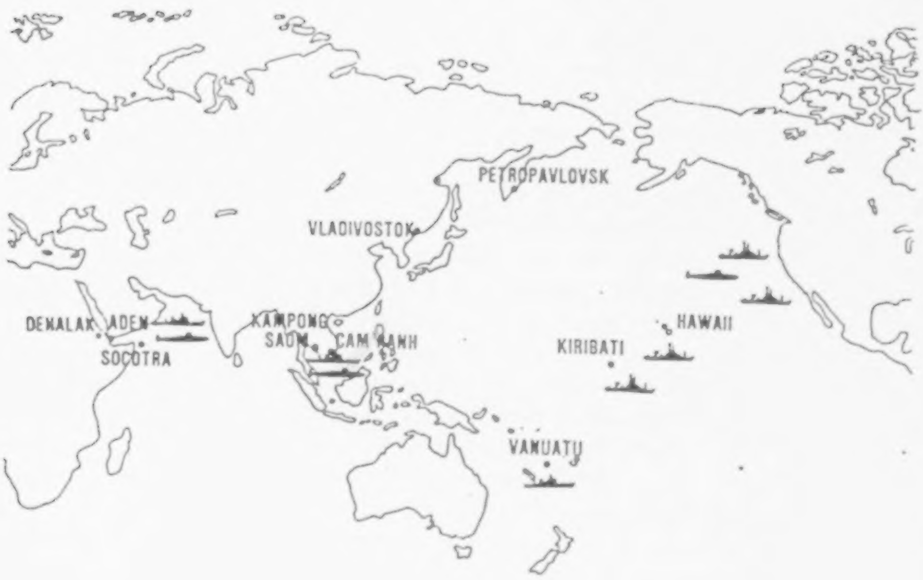
Chairman STENNIS. I can see it all right.

Admiral LYONS. That little red blotch in the southeast Pacific represents the Mediterranean. It gives you a perspective of the size of our area of operations, and what I would like you to take away from this vugraph is that you just don't get anywhere quick in the Pacific. To have deterrence, you have to have presence. As we all know, and we have learned the lesson all too well, the ideolog or totalitarianism is not deterred by words. He only recognizes strength and the will to use it. To display that presence and that capability I must have forces forward deployed, and we will get to that in a minute.

[Vugraph 2 retained in subcommittee files.]

THREAT

The thing I would like you to observe here is the threat. I told you the fleet is well. The correlation of forces is in our favor, but that is no reason for complacency. The Soviet threat is continuing to improve, both quantitatively and qualitatively. In 1960 there were 200 major Soviet combatants in the Pacific fleet. Today, if you throw out all the spit kits we are talking somewhere around 500, of which over 125 are submarines.



VUGRAPH 3

SOVIET BASES

So it is a moving threat, and it is not only the size of the forces. The Soviets have also established a ring of bases that stretch from Dehalak Island in the Red Sea, which is owned by Ethiopia—but which the Ethiopians are not allowed on—through the use of the former UK base at Aden, through the use of Socotra Island, from the use of airfields in Afghanistan that allow them to cover all the important sea lines of communication in the western Indian Ocean. When you come out of the Indian Ocean you will find at Cam Ranh Bay the largest deployment of Soviet forces outside the Soviet Union except for those that are involved in the invasion in Afghanistan.

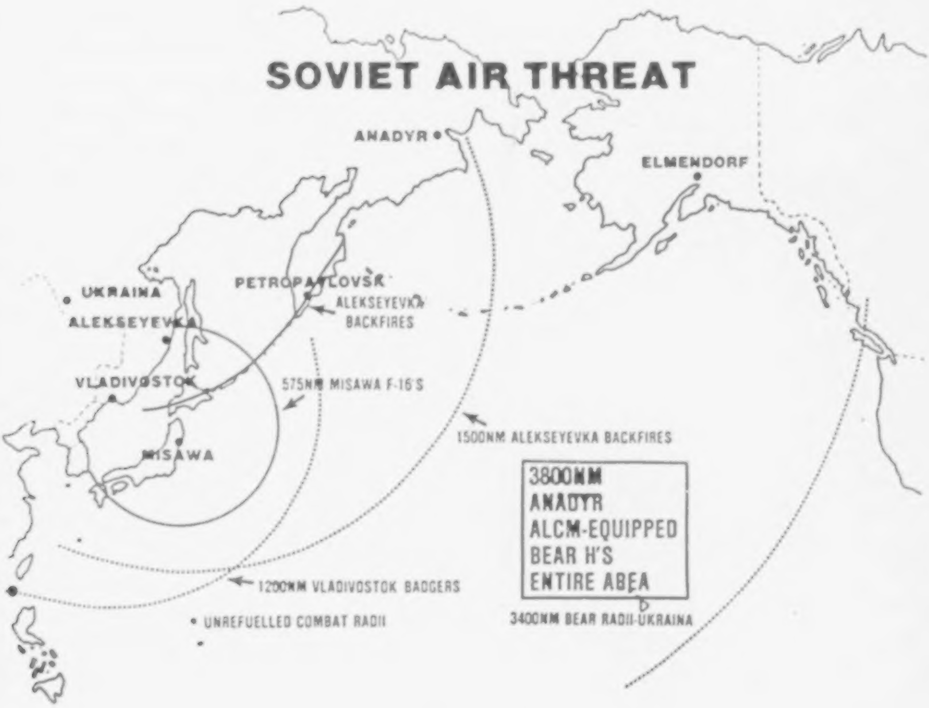
At Cam Ranh Bay on any given day you have 20 to 30 Soviet combatants, three to five submarines, and a squadron of fighters, strike bombers, reconnaissance aircraft, surface-to-air missiles, and I would like to show the committee the expansion in Cam Ranh Bay. This photo shows two piers that we built.

When we left in 1975 these were the piers. Today there are seven. And this is a snapshot taken in December 1986. And you will see the submarines and surface-to-surface missile launchers. In this photo you see a string of aircraft here, a squadron of Badger strike bombers here, and fighter interceptors over here. In short, the facilities at Cam Ranh Bay have quadrupled. I think this brings into sharp focus the critical importance of our facilities in the Philippines to maintaining regional stability.

Now, there have been a lot of people that have passed through Subic and Clark in the past few years. Some have said we have other alternatives. What I would like to stress before this committee, Mr.Chairman, is that there are no good other alternatives. A point that is always overlooked is that in order for me to exercise the same amount of presence and warfighting capability that I can today through the use of those facilities, I would need two to three times the amount of certain types of forces if I had to move elsewhere. There are, of course, other strategic implications as well.

[Vugraph 4 is retained in subcommittee files.]

This slide gives you an indication of the increase in Soviet out of area ship days in the Pacific measured over the last 10 years. It was 13,000 in 1976. It was 26,000 in 1984, over 24,000 in 1985, and about 23,000 in 1986. So there has been about a 100-percent increase in their out-of-area operations coupled with their other expansion I mentioned on the other chart. Also, I know the committee is well familiar with the fishing agreements that the Soviets have consummated in the South Pacific. Certainly the most recent one in Vanuatu for $1.5 million has got to produce the most expensive fish in the world, because our commercial estimate is that the fish is worth about $600,000 to $800,000 annually. So if you were a private entrepreneur you would be bankrupt if you followed that economic policy. They clearly are after more than just fish. They have port visit rights there as well.

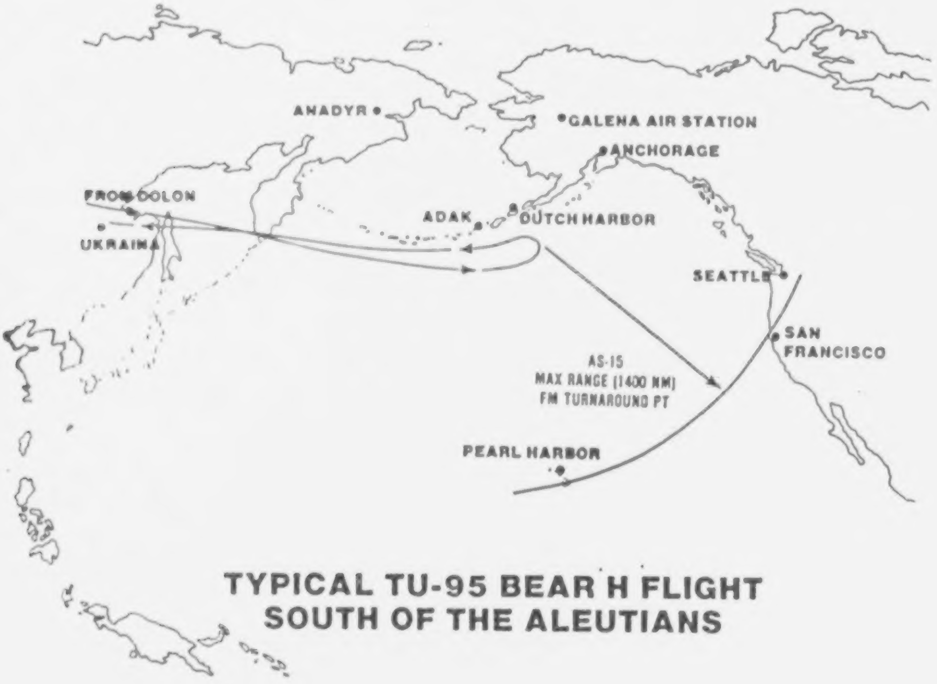

SOVIET AIR THREAT
ANADYR
ELMENDORF
UKRAINA
PETROPAVLOVSK
ALEKSEYEVKA BACKFIRES
ALEKSEYEVKA
VLADIVOSTOK
575NM MISAWA F-16'S
MISAWA
1500NM ALEKSEYEVKA BACKFIRES
3800NM
ANADYR
ALCM-EQUIPPED
BEAR H'S
ENTIRE AREA
1200NM VLADIVOSTOK BADGERS
• UNREFUELLED COMBAT RADII
3400NM BEAR RADII-UKRAINA

Vugraph 5

RANGE OF SOVIET AIR THREAT

This slide shows you the range of the Soviet air threat. You hear a lot about Backfires. The dotted line is their estimated range. We do not see them come past the Kuriles.

This shows a typical Bear air-to-surface missile strike bomber flight profile. I think the main thing, you can see is the one that comes along the Southern Aleutians.

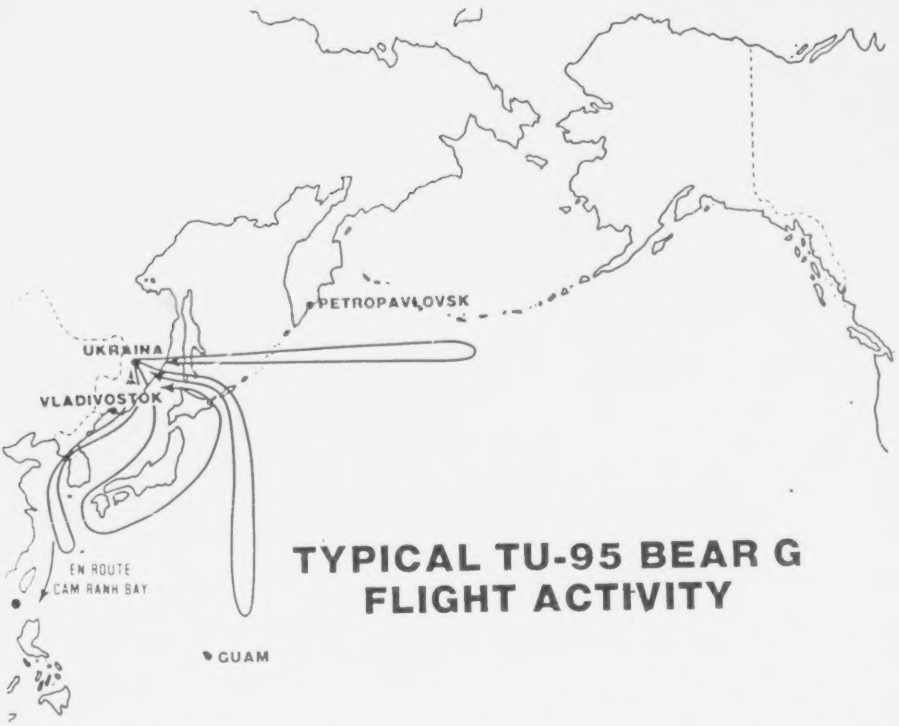

ANADYR
GALENA AIR STATION
ANCHORAGE
FROM DOLON
UKRAINA
ADAK
DUTCH HARBOR
SEATTLE
SAN FRANCISCO
AS-15
MAX RANGE (1400 NM)
FM TURNAROUND PT
PEARL HARBOR

TYPICAL TU-95 BEAR H FLIGHT SOUTH OF THE ALEUTIANS

VUGRAPH 6

OVERFLIGHTS

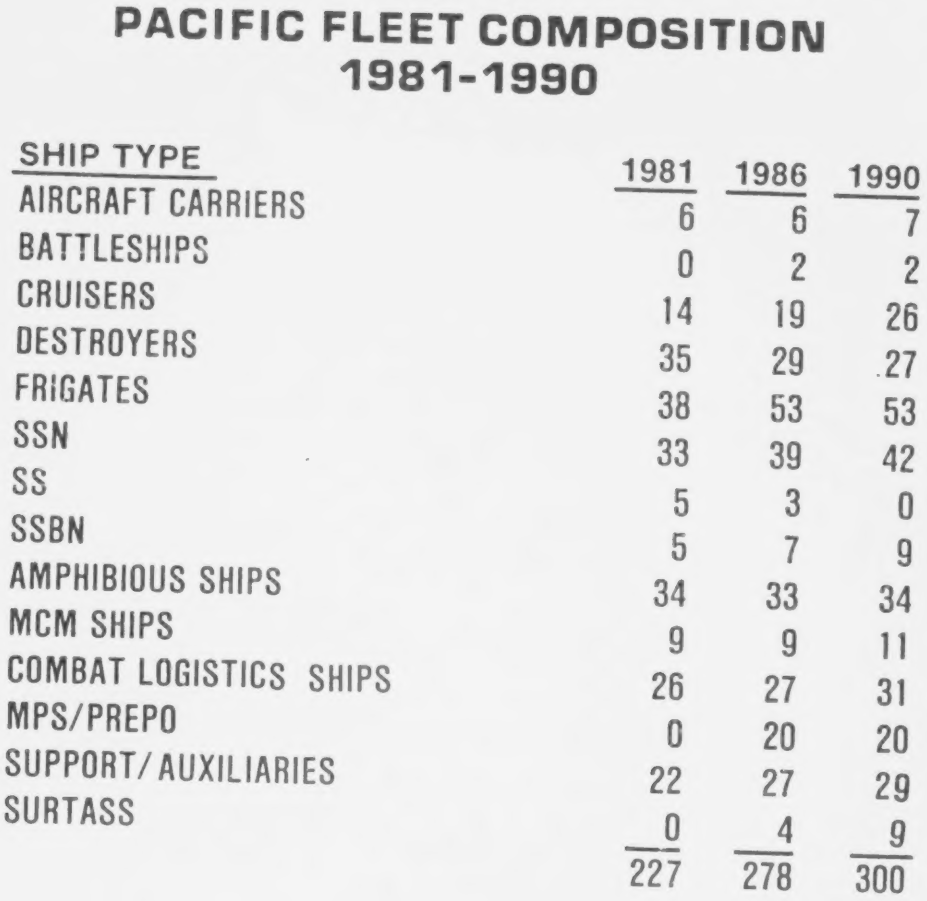
The other new development shown here is the overflights that they have achieved over North Korea by means of which they simulate strikes against South Korea, against Okinawa and against the Japanese mainland. Some of those strike profiles are flown by planes uploaded with air-to-surface missiles. Another new wrinkle in this is the route that they are using to reinforce the forces at Cam Ranh Bay. It cuts off several hundred miles in the transit, so it simplifies the reinforcement of that area.


PETROPAVLOVSK
UKRAINA
VLADIVOSTOK
EN ROUTE CAM RANH BAY
GUAM
TYPICAL TU-95 BEAR G FLIGHT ACTIVITY

VUGRAPH 7

BEAR G RANGE

This is the range of a Bear G, which is their ALCM carrier—in other words, their cruise missile carrier. It shows the areas they can cover unrefueled, if they are unopposed, and I am going to show you what we are doing a little later on to change that formula.



PACIFIC FLEET COMPOSITION 1981-1990

SHIP TYPE	1981	1986	1990
AIRCRAFT CARRIERS	6	6	7
BATTLESHIPS	0	2	2
CRUISERS	14	19	26
DESTROYERS	35	29	27
FRIGATES	38	53	53
SSN	33	39	42
SS	5	3	0
SSBN	5	7	9
AMPHIBIOUS SHIPS	34	33	34
MCM SHIPS	9	9	11
COMBAT LOGISTICS SHIPS	26	27	31
MPS/PREPO	0	20	20
SUPPORT/AUXILIARIES	22	27	29
SURTASS	0	4	9
	227	278	300

VUGRAPH 8

PACIFIC FLEET COMPOSITION

The Pacific fleet composition that I have today is roughly 278 ships. Note here the dramatic increase since 1981, and where we are going in 1990. We have had both a quantitative and qualitative improvement in the fleet, cruise missiles being certainly one. This is an AEGIS cruiser. It happens to be one I have out in Pearl Harbor today.

We talk about high technology. This is the Bunker Hill. It has a vertical launch system, and I am happy to report to this committee that last week it conducted a long-range shot and had a grand slam [deleted]. It also had a grand slam at a high altitude shot [deleted]. There is a point to be made in this regard. When we used the old type of traditional launchers that you are familiar with, the ones with the arms, there are over 1,000 moving parts whose failure can interrupt the circuit.

It takes 12 gunners' mates to maintain it. It takes $7 million worth of spare parts to back it up aboard ship. The vertical launch system has three moving parts. It takes $200,000 worth of spare parts, and half the number of gunners' mates. That is performance, and that is what you are getting for your money. It's technology working for you.

[Vugraph 9 retained in subcommittee files.]

Of course you are all familiar with the *New Jersey* class battleships. They represent a very good marriage of the old and the new, with our Tomahawk cruise missiles and Harpoon systems. You may want to know what kind of impact does the battleship have today? Well, let me tell you. At the Royal Australian Navy 75th anniversary in Sidney, we had tens of thousands of people trying to get on board the *Missouri*. It set the antinuclear program in Australia back 10 years, according to the Australian Chief of the Fleet when he wrote me. *Missouri* was just the centerpiece of the celebration. It drew over a quarter of million people.

[Vugraphs 10 and 11 retained in subcommittee files.]

This is one of our new FFG-7's, and this, of course, a Trident submarine, the most survivable element of our strategic force. I have seven of them in the Pacific today.

[Vugraphs 12, and 13, and 14 retained in subcommittee files.]

This is a 688-class attack submarine, and I will cover that in closed session. The *Vinson*, shown here, is in particular, a very dramatic increase in our capability in the Pacific. Here is an F18; it performs superbly, even with some of the problems that you are well familiar with.

[Vugraph 15 retained in subcommittee files.]

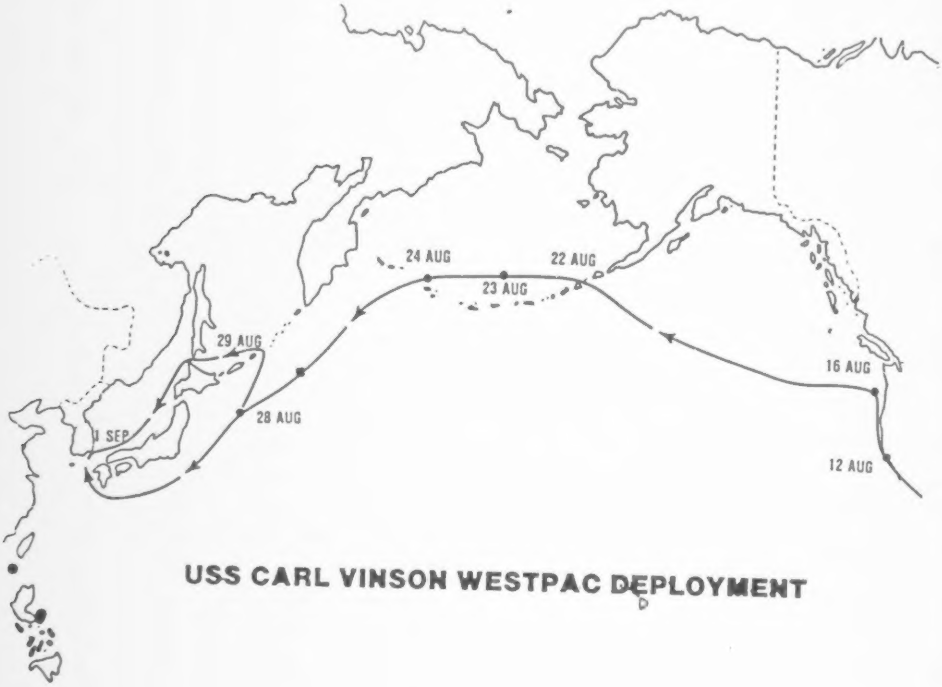
Now, to turn to what are we doing about the Soviets in the North Pacific, in the Aleutian Chain. I should point out here, Mr. Chairman, that all our trade routes to East Asia pass within 50 to 200 miles of Adak, Alaska. On any given day there are over 2,200 ships on that trade route. For that reason, I got tired of having the Soviets operate at will in the North Pacific and in the Bering Sea simulating strikes against the Aleutians and Alaska.

The first thing I did was, to move a detachment of F14s to Adak as shown on this slide—that was a year ago—April 1986. And as this slide depicts, I also have the nuclear cruiser *California* up there to serve as an air controller. We were able to intercept Soviet strikes well out from the coast of Alaska, well before they could launch a missile, and then hand them off to Air Force F15s coming out of Galina.

Of interest, the Soviets spent the next 4 days looking for the carrier. We followed up that operation with another first of a kind. I took the *Long Beach*, a cruiser deployed with the Seventh Fleet, and moved it to a position 200 miles northwest of Attu, from which we fired the first cruise missile ever from a deployed ship—the first cruise missile ever fired on other than an instrumented range, and the first cruise missile ever fired in the northern latitudes. That 565 mile shot hit the target right on the money at Kanaga Island, which is right next to Adak.

[Vugraph 16 retained in subcommittee files.]

This slide will show you the missile flight profile. The Soviets were cooperating that day. They sent out a couple of Bears which were intercepted with Air Force F15s that we had positioned out on the chain, turned them over to Navy F-18s, and then Marine AV-8B Harriers from the amphibious force, which conducted an amphibious operation on the island of Adak right after the cruise missile shot.

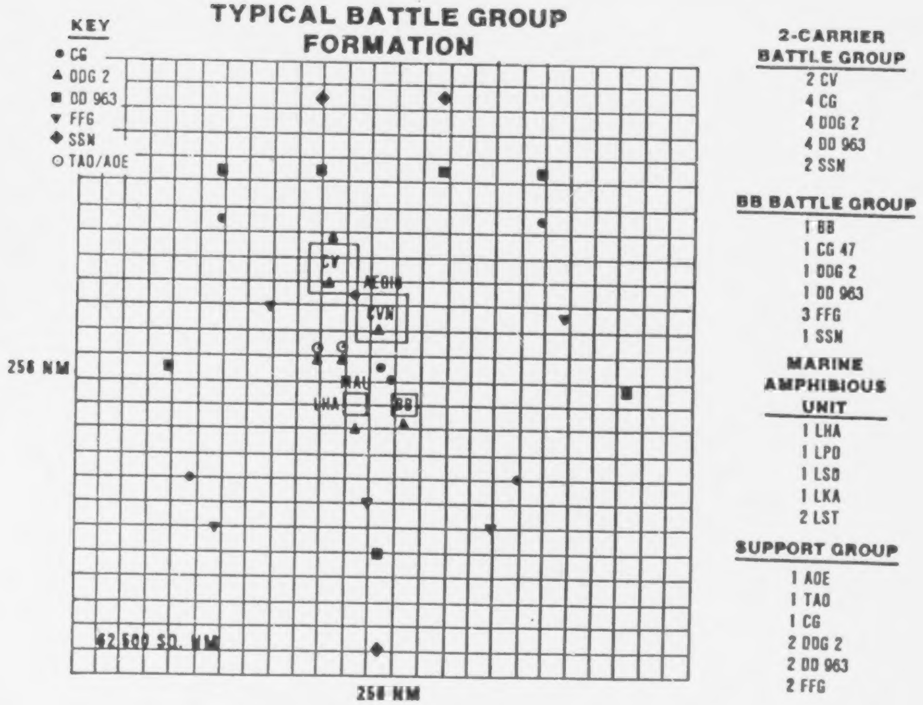


USS CARL VINSON WESTPAC DEPLOYMENT

VUGRAPH 17

BERING SEA DEPLOYMENT

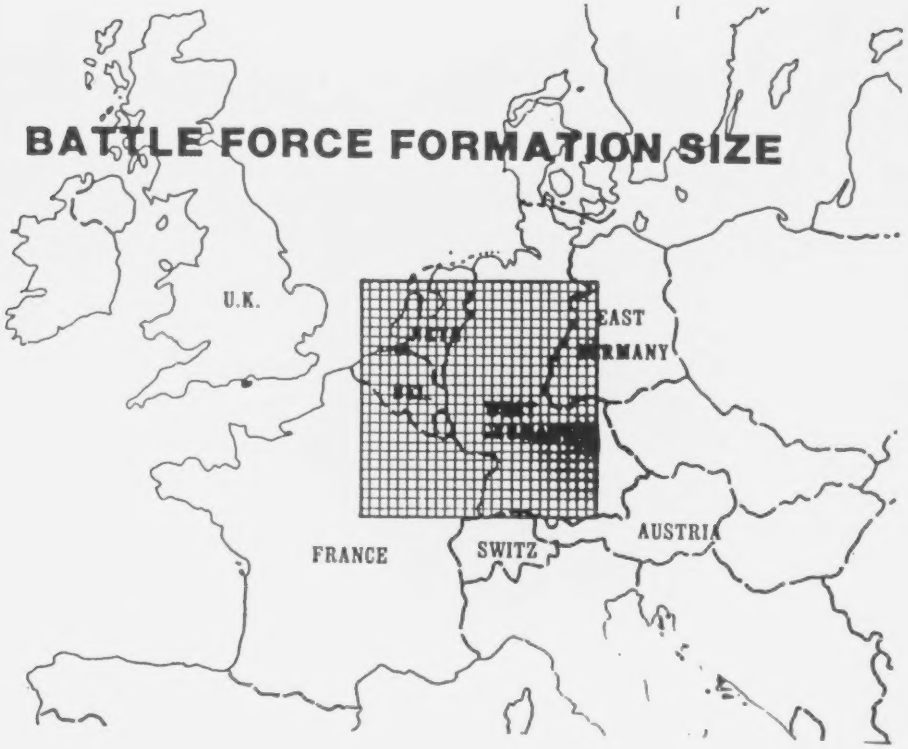
Later in the year, in August, we sent the *Vinson* on a transit through the Bering Sea, the first carrier ever to operate in the Bering Sea. The results were little short of fantastic, as these next few graphs will show. The one I first concerns something you always hear a lot about—that carriers are vulnerable.


TYPICAL BATTLE GROUP FORMATION
KEY
● CG
▲ DDG 2
■ DD 963
▼ FFG
◆ SSN
○ TAO/AOE
CV
AEGIS
CVN
MAU
LHA
BB
256 NM
62,500 SQ. NM
256 NM
2-CARRIER BATTLE GROUP
2 CV
4 CG
4 DDG 2
4 DD 963
2 SSN
BB BATTLE GROUP
1 BB
1 CG 47
1 DDG 2
1 DD 963
3 FFG
1 SSN
MARINE AMPHIBIOUS UNIT
1 LHA
1 LPD
1 LSD
1 LKA
2 LST
SUPPORT GROUP
1 AOE
1 TAO
1 CG
2 DDG 2
2 DD 963
2 FFG

VUGRAPH 18

CARRIER FORMATION

What you are looking at is the carrier formation. It covers over 56,000 square miles. We are not a sitting duck.



VUGRAPH 19

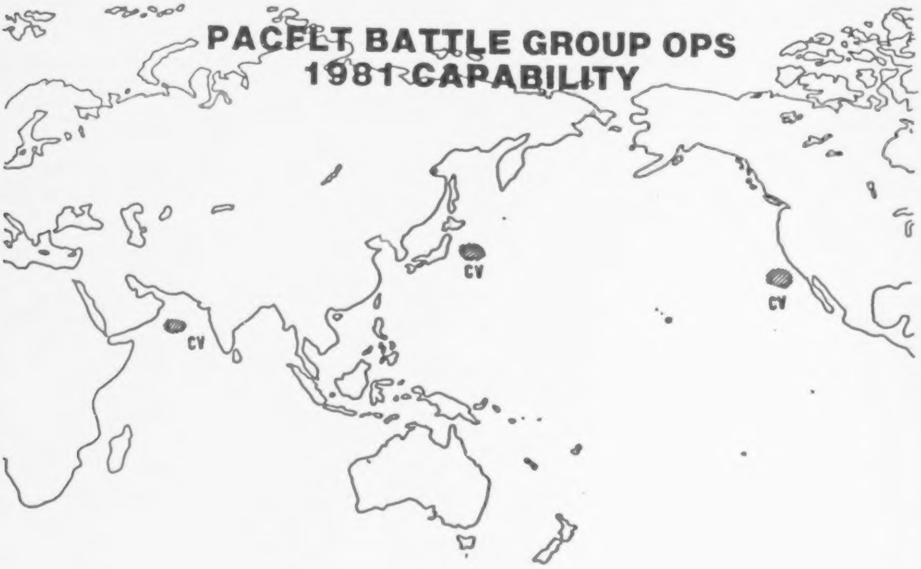
WESTERN EUROPE COVERAGE

When we take this formation and superimpose it on Western Europe, it covers all of West Germany, Belgium, and the Netherlands. Given formation size and through deceptive formations and use of decoys, we greatly complicate the Soviet targeting problem.

We did it so well with the *Vinson*, while the Vinson was in the Bering Sea conducting operations, that all the Soviet flights in reaction were south of the Aleutians. We were able to intercept them at hundreds of miles away from the *Vinson*, the entire battle group. They never did find them. In fact, they lost track of the formation for 11 days. There are other aspects to this operation which we could discuss later if we have a closed session.

We also brought the *Vinson* back to the North Pacific in January when we conducted our first amphibious operation ever on Shemya, the first one in the Aleutians since World War II. We did it in January, and just to show you what weather looks like up there in winter I brought a few slides. The wind chill factor was minus 20 to 30. The winds were 60 knots. We had six lows rolling through the area. The visibility would go to zero in an instant. The seas were such that the deck was pitching and rolling 8 to 14 degrees. The point I want to make here is that a small deck carrier could not have operated in these conditions, but *Vinson*. We continued to operate aircraft throughout the entire period.

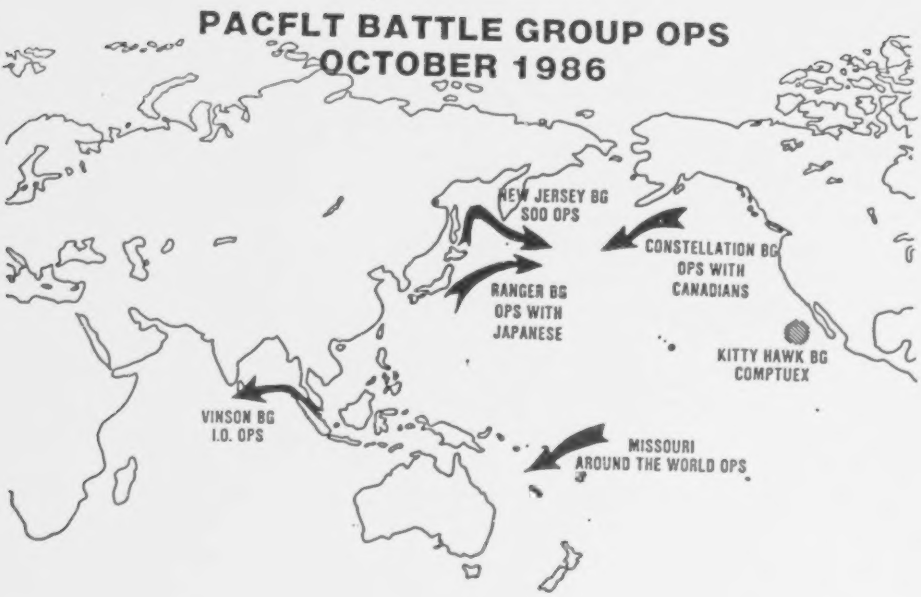
The *Vinson* was there in support of the amphibious operation and used up in those 5 days 21 percent of the total fuel that a normal carrier would have carried. In other words, we could have operated three times longer than a fossil-fueled *Forrestal*-class carrier in this weather. Similarly, when I commanded the striking fleet in the Atlantic, I had the *Eisenhower* and *Forrestal* up in the Norwegian Sea, and we had to stop flying on the *Forrestal* but we could continue flying with the *Eisenhower*. Two reasons: the more stable deck and the more modern air wing.



VUGRAPH 20

FLEET CAPABILITY

This shows our fleet capability as of 1981. I could keep one carrier deployed in the IO. I could keep one in WESTPAC while I was working one up on the east coast. The point is when I brought that west coast carrier out to the Pacific I had to crossdeck equipment, spare parts and ammunition. I had to crossdeck a lot of items. In other words, in 1981 I could load out only about two and a half carriers.


PACFLT BATTLE GROUP OPS
OCTOBER 1986
NEW JERSEY BG
SOO OPS
CONSTELLATION BG
OPS WITH
CANADIANS
RANGER BG
OPS WITH
JAPANESE
KITTY HAWK BG
COMPTUEX
VINSON BG
I.O. OPS
MISSOURI
AROUND THE WORLD OPS

VUGRAPH 21

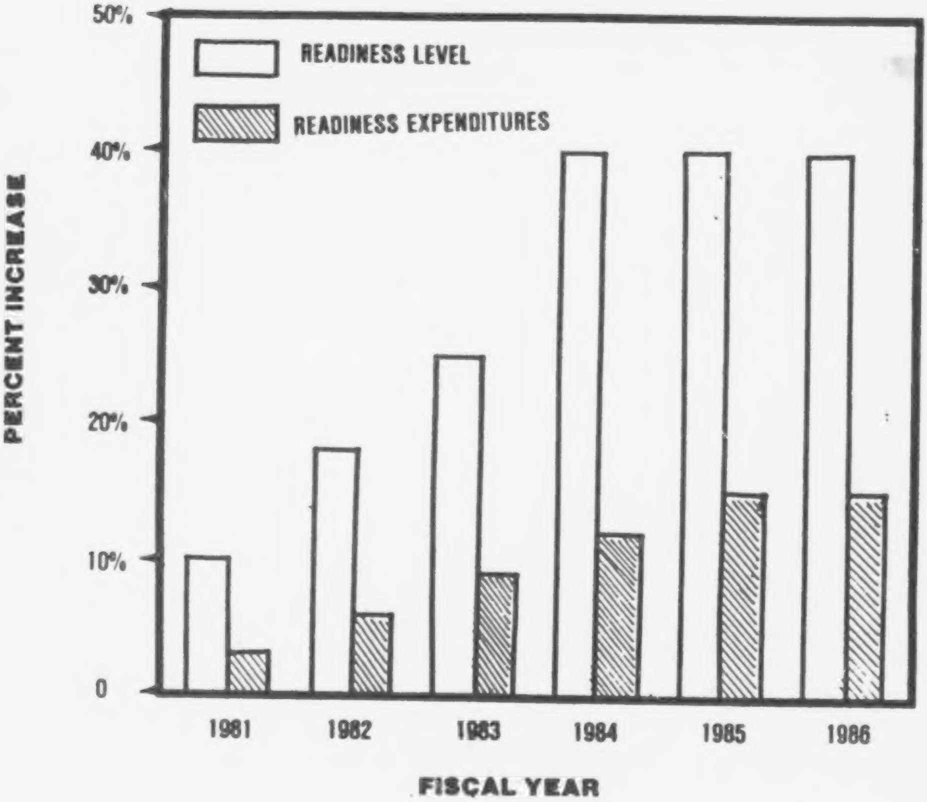
BATTLE GROUPS IN PACIFIC

Contrast, in October 1986, I had four carrier battle groups and two battleship battle groups operating throughout the Pacific.

[Vugraph 22 retained in subcommittee files.]

I think this slide graphically displays, Mr. Chairman, what your support has meant to us in terms of readiness and sustainability, C1, C2 categories are our highest state of readiness. We have improved readiness since the baseline of 1980 by 100 percent.

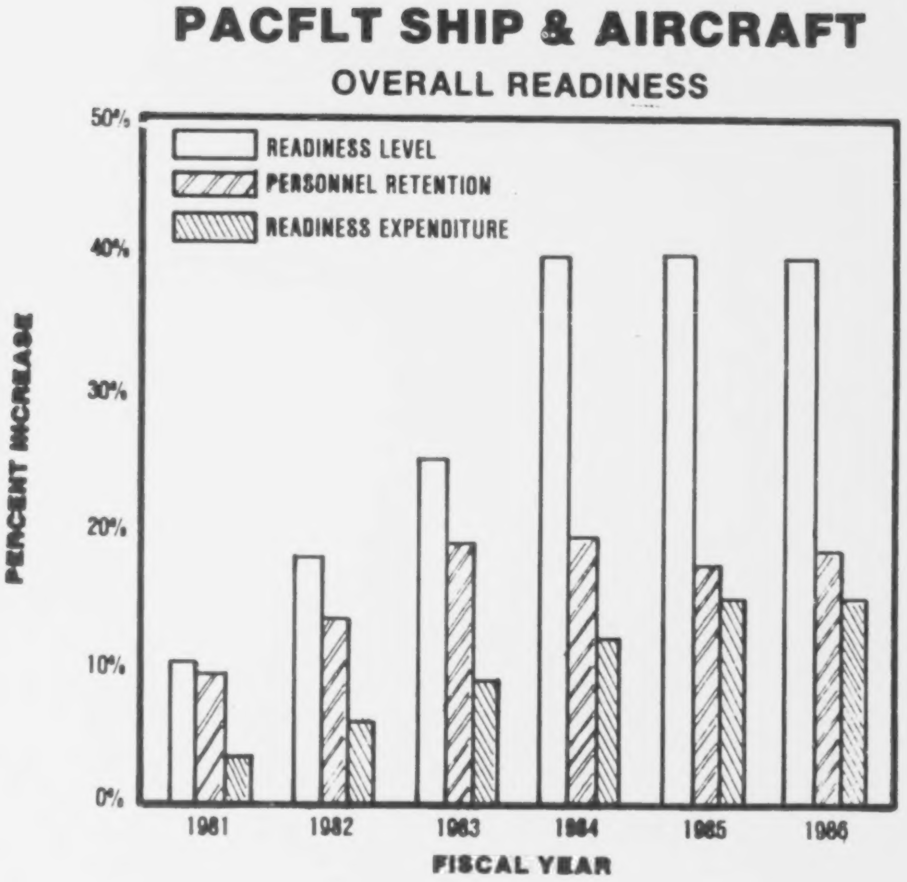
PACFLT SHIP & AIRCRAFT READINESS



VUGRAPH 23

READINESS EXPENDITURES

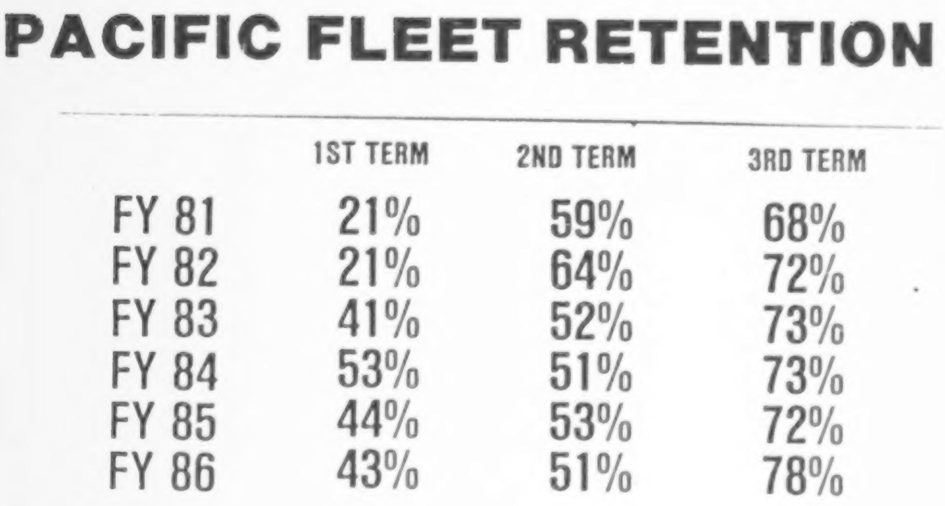
What this slide represents is your readiness expenditures. Here is the 3-percent per year that you put into the budget.



VUGRAPH 24

READINESS AND PERSONNEL RETENTION

And that is translated here into, as you see, the increase in readiness to where in 1984 to 1986 we are operating at 95 percent combat ready. It is a function also of our personnel retention. As our personnel retention went up, so did our readiness.



PACIFIC FLEET RETENTION

	1ST TERM	2ND TERM	3RD TERM
FY 81	21%	59%	68%
FY 82	21%	64%	72%
FY 83	41%	52%	73%
FY 84	53%	51%	73%
FY 85	44%	53%	72%
FY 86	43%	51%	78%

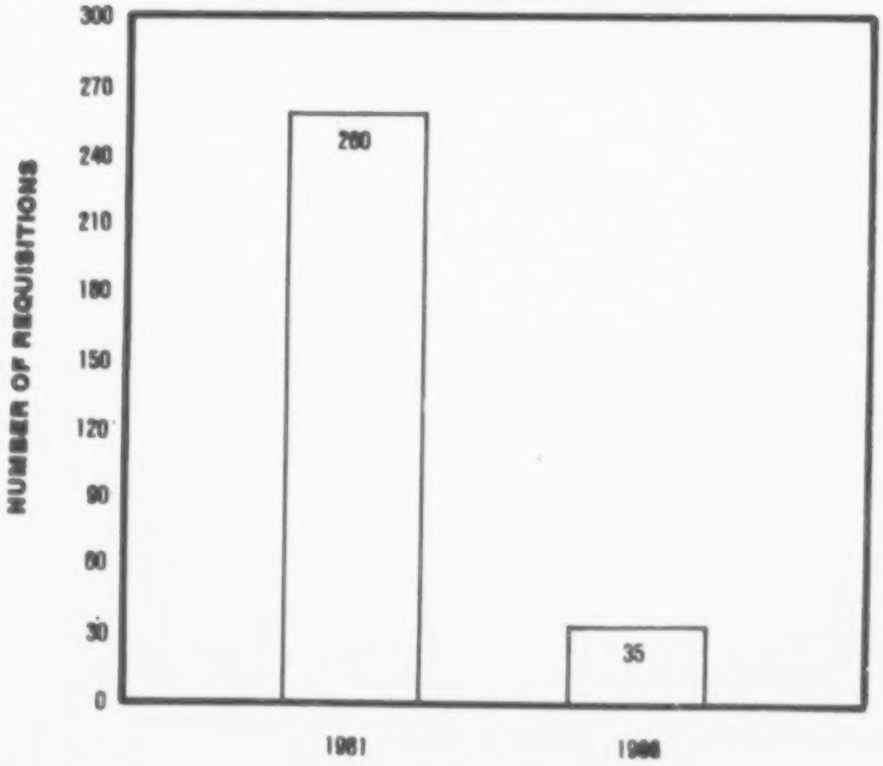
VUGRAPH 25

RETENTION FIGURES

These are our retention figures, which are basically doubled. The following series of vugraphs display the PACFLT readiness in the various stages.

PACFLT DEPLOYED CV READINESS

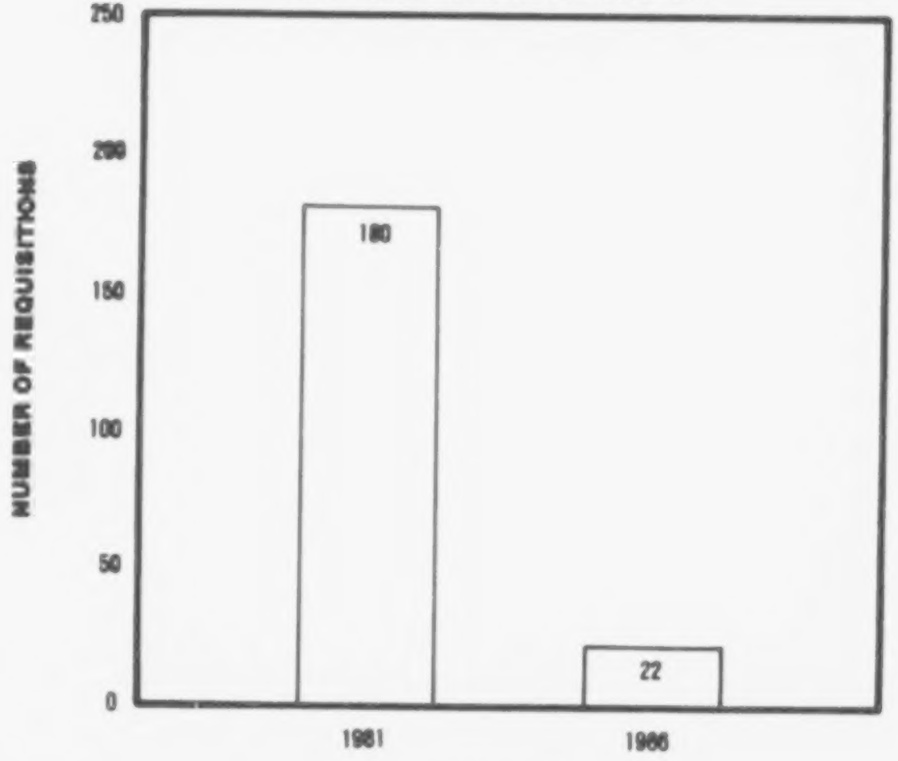
OFF-SHIP REQUISITIONS



VUGRAPH 26

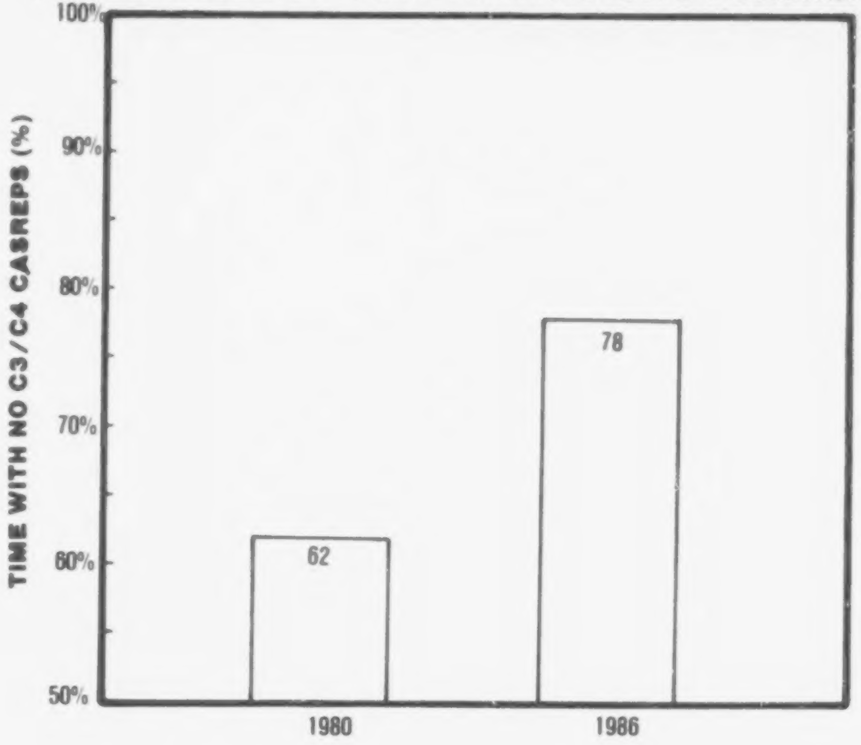
PACFLT DEPLOYED CV READINESS

ON-SHIP REQUISITIONS



VUGRAPH 27

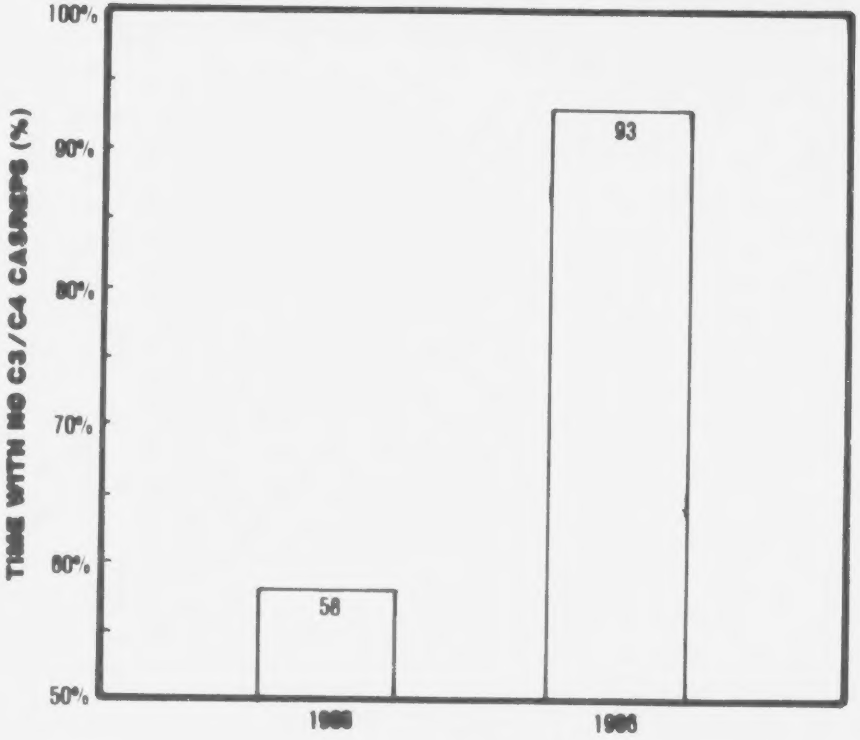
PACFLT
DEPLOYED SURFACE SHIP READINESS
PERCENTAGE OF TIME WITH NO C3/C4 CASREPS



VUGRAPH 28

PACFLT DEPLOYED CV READINESS

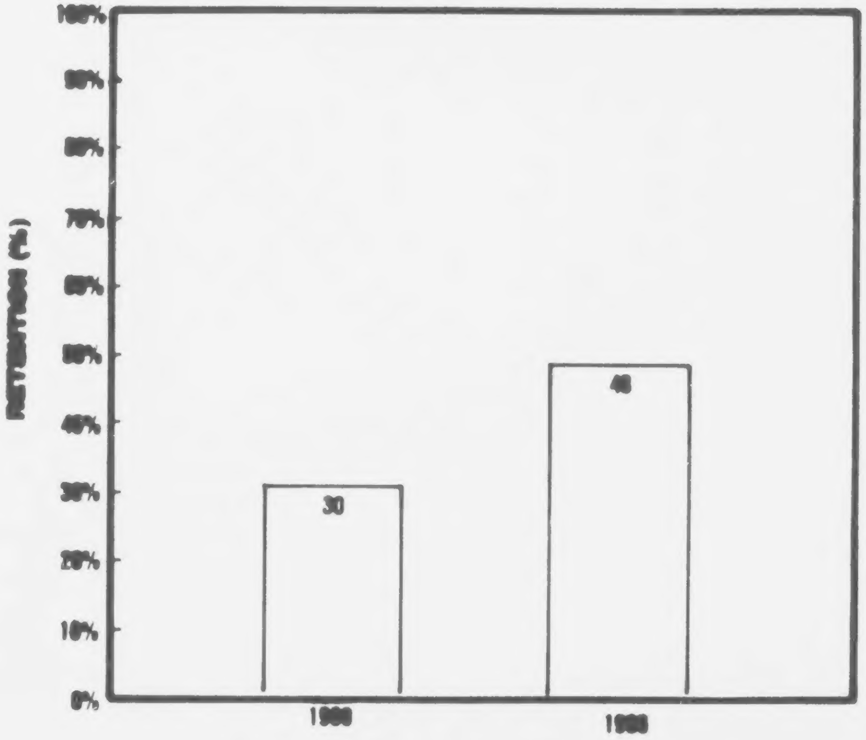
PERCENTAGE OF TIME WITH NO C3/C4 CASREPS



VUGRAPH 29

NAVY-WIDE RETENTION

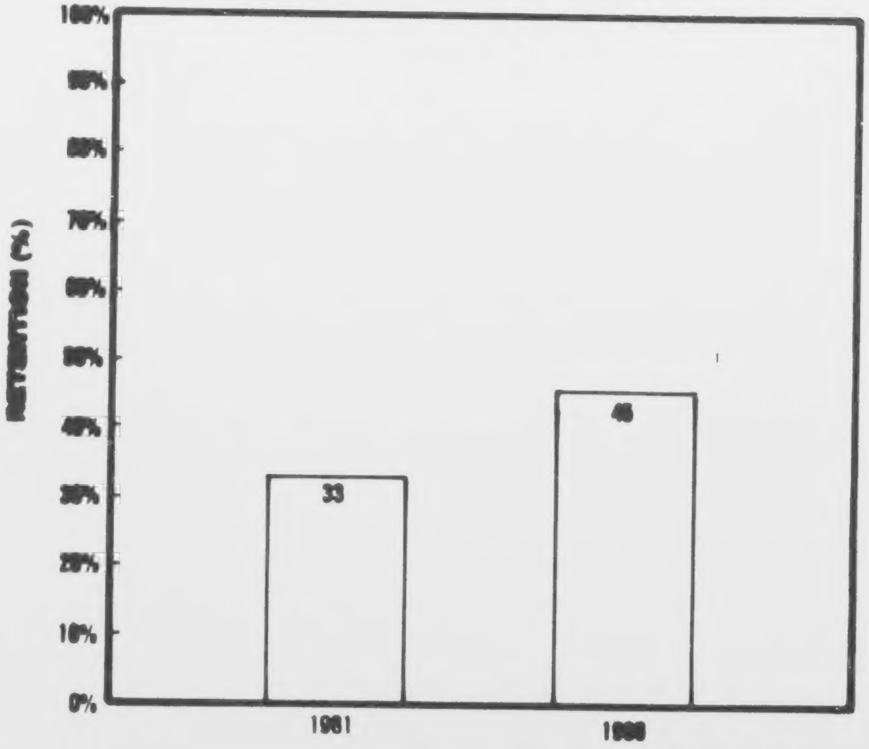
PILOTS



VUGRAPH 30

NAVY-WIDE RETENTION

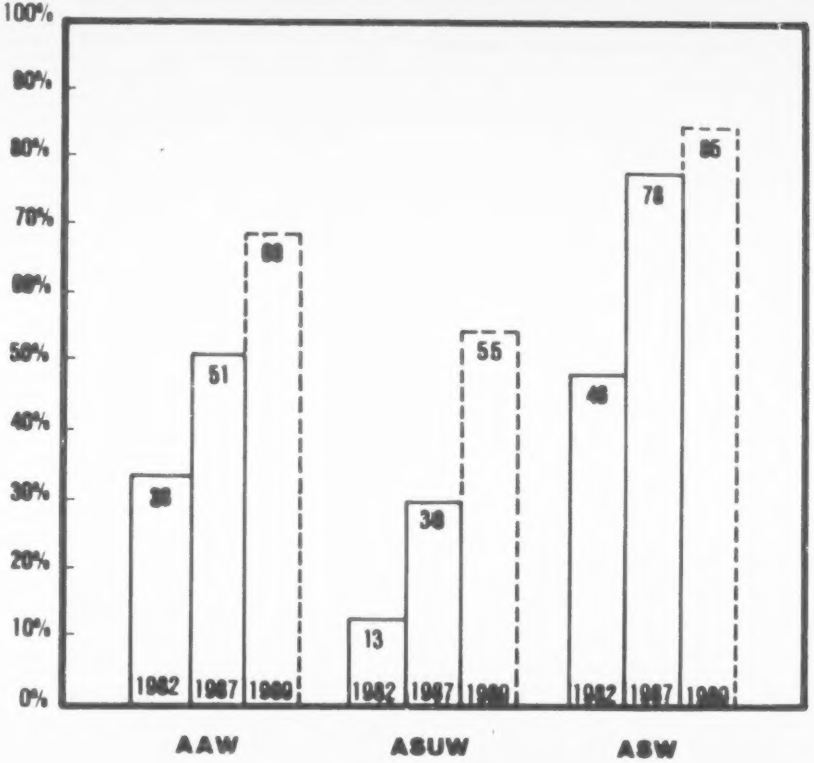
NUCLEAR SUBMARINERS



VUGRAPH 31

PACFLT WEAPONS INVENTORIES

THREAT-ORIENTED WEAPONS



VUGRAPH 32

The vugraphs show PACFLT deployed carrier offship requisitions [Vugraph 26]. In 1981—this is on any given day—we had 260 requisitions off that carrier. In other words, we didn't carry the spare part. Today the figure is 35. It is a dramatic turnaround. The same is true of ship requisitions—we had to fill 180 in 1981, and today those are down to 22 [Vugraph 27].

The percentage of time when you had no debilitating C3 or C4 CASREPS, again, shows a dramatic increase [Vugraphs 28 and 29]. Our pilot retention has gone up almost 20 percent [Vugraph 30]. Our nuclear submarine retention has gone up about 12 to 13 percent [Vugraph 31]. Our PACFLT weapons inventory also has dramatically increased, and I would like to make one point here [Vugraph 32]. You hear a lot about threat-oriented ordnance and can we sustain ourselves? Well, I think we can. I think we are using the money wisely today I have much greater assets than when I was the logistics forces commander in 1980 when I knew that a carrier in the IO would run out of threat-oriented ordnance in 2½ days. Today I can sustain myself indefinitely. There is a myth that needs to be dispelled. The myth is, you are still going to run out of torpedoes, you are going to run out of various other high payoff weapons.

TORPEDO SHELF LIFE

Well, let me tell you, Mr. Chairman. I commissioned CNA, Center of Naval Analysis, to sit down with Minneapolis Honeywell over 2 years ago, and I said: It takes 6½ months to make a torpedo, and the reason it takes 6½ months is because we put a 15-year shelf life into it. Well, in a wartime situation we don't need a 15-year shelf life, and we found out that through a three-shift, 24-hour a day operation, and making a weapon for wartime use, we can bring the production time down to 10 days.

HARPOON AND TOMAHAWK

I have them now doing a similar type of study with McDonnell Douglas on Harpoon and Tomahawk. I am convinced that in all of these areas, in a wartime situation, and if we do the proper planning now in peacetime for industrial mobilization, we can get a tremendous leg up. And now is when we should be doing it—it will also raise our deterrence equation. In the same way—I think I am probably out of time.

Chairman STENNIS. Go ahead.

Admiral LYONS. I would like to make one more point.

Chairman STENNIS. All right.

Admiral LYONS. Our submariners, our pilots, our enlisted personnel are conducting operations today that 6 years ago people thought were impossible. When we intercept a Soviet strike bomber hundreds of miles before he can get to a weapons launch position or when we achieve attack criteria on a submarine before he can get to a weapons launch position, the Soviet pilot or sub captain knows that in wartime, he would not be going home.

The message we want them to take back is that it just might be too hard. If they take that message back, we raise the deterrence equation without firing a shot. We think we are doing that today. Thank you, sir.

[The prepared statement of Admiral Lyons follows:]

Prepared Statement of Adm. James A. Lyons, Jr., USN

COMMANDER, U.S. PACIFIC FLEET

I APPRECIATE THIS OPPORTUNITY TO APPEAR BEFORE YOU TO REPORT ON THE READINESS OF YOUR PACIFIC FLEET TO CARRY OUT ITS MISSION. THIS MORNING I WOULD LIKE TO REVIEW THAT MISSION, DESCRIBE SOME LESSONS LEARNED OVER THE PAST YEAR, AND, ON THAT BASIS, DISCUSS FLEET REQUIREMENTS FOR THE FUTURE.

BY WAY OF BACKROUND, IT MAY BE USEFUL TO REVIEW SEVERAL IMPORTANT CHARACTERISTICS OF THE PACIFIC THEATER. FIRST IS THE SIMPLE ENORMITY--15,000 MILES FROM POLE TO POLE. 12,000 MILES FROM THE CALIFORNIA COAST TO THAT OF AFRICA. ALL TOLD, IT IS AN AREA ENCOMPASSING 102 MILLION SQUARE MILES DEFENDED BY 250,000 NAVAL PERSONNEL, INCLUDING 80,000 MARINES, MANNING AN INCREASINGLY CAPABLE FORCE THAT INCLUDES 269 SHIPS AND NEARLY 2,000 AIRCRAFT. SECOND, IT IS AN INHERENTLY MARITIME THEATER, ONE IN WHICH THE POLITICAL, MILITARY, AND ECONOMIC FORTUNES OF ALL NATIONS ARE DIRECTLY DEPENDENT UPON THEIR ACCESS TO AND UNIMPEDED USE OF THE SEVERAL SEAS AND OCEANS AND THE STRAITS AND PASSAGES CONNECTING THEM. THIRD, IT IS THE ONLY THEATER IN WHICH THE SOVIETS HAVE DIRECT ACCESS TO A MAJOR OCEAN; THE ONLY ONE IN WHICH THE UNITED STATES AND THE SOVIET UNION FACE ONE ANOTHER ACCROSS A COMMON BORDER--THE 2,000 MILE MARTIME FRONTIER THAT EXTENDS FROM THE BERING STRAIT TO THE NORTH COAST OF JAPAN. IN THIS REGARD, I SHOULD ALSO ADD THAT IN THE PACIFIC REGION THERE IS NO GRAND ALLIANCE STRUCTURE, LIKE NATO, TO HELP MAINTAIN THE PEACE. NOR, GIVEN THE DIVERSITY OF THE REGION, IS THERE ANY PROSPECT OF SUCH A STRUCTURE. DESPITE A SERIES OF STRONG AND VITAL BILATERAL ALLIANCES, WHEN COMPARED TO EUROPE, THE PACIFIC IS ALLY SPARSE. LASTLY, THERE IS THE CURRENT AND INCREASING IMPORTANCE OF THE NATIONS OF THE ASIAN-RIMLAND AND, HENCE, OF THE SEA LANES THAT JOIN THEM, TO THE ECONOMY OF THIS NATION. SINCE 1980 THE PREPONDERANCE OF U.S. TRADE HAS BEEN WITH ASIAN-PACIFIC RIMLAND. IN 1985 ALONE, OUR TWO WAY TRADE IN THE PACIFIC WAS $185 BILLION, 40 PERCENT MORE THAN THAT WITH OUR TRADITIONAL EUROPEAN TRADING PARTNERS. THIS VITAL TRADE INCLUDES MANY OF THE CRITICAL COMPONENTS--THE MICRO CHIPS AND ASSEMBLIES--OF THE SMART WEAPONS WHICH WE RELY ON TO DEFEND THE COUNTRY. IN A VERY REAL WAY, THE INDUSTRIES OF EAST ASIA HAVE BECOME EXTENSION OF OUR DEFENSE INDUSTRY. INCREASINGLY, THE PROSPERITY AND WELL-BEING OF AMERICANS ARE INEXTRICABLY LINKED WITH THOSE OF THE PEOPLES OF ASIA AND THE INDIAN OCEAN BASIN. IF AT TIMES THE CHALLENGES OF THE PACIFIC THEATER SEEM GREAT, THE REWARDS AND PROMISE FOR THE FUTURE ARE STILL GREATER. AS YOUR FORMER COLLEAGUE, AMBASSADOR MANSFIELD, HAS OBSERVED, THE NEXT HUNDRED YEARS ARE GOING TO BE THE CENTURY OF THE PACIFIC. I SHARE THAT VIEW. PERHAPS MORE TO THE POINT, IT IS INCREASINGLY APPARENT THAT THE SOVIETS DO AS WELL, AND MEAN TO PROFIT BY IT. OVER THE PAST 25 YEARS WE HAVE WITNESSED THE QUALITATIVE AND QUANTITATIVE INCREASE OF SOVIET MILITARY FORCE STRUCTURE IN THE FAR EAST

INCLUDING THE GROWTH OF THE SOVIET PACIFIC FLEET TO BECOME THE LARGEST OF THE FOUR FLEETS IN THE SOVIET NAVY. COMPARABLE IMPROVEMENTS HAVE ALSO BEEN MADE TO SOVIET LAND AND AIR FORCES IN THE FAR EAST.

CONCURRENLTY, WE HAVE WITNESSED THE GROWTH OF THEIR PRESENCE AT CAM RANH BAY AS IT GREW FROM A SPARSE FORWARD SUPPLY POINT TO A FORMIDABLE ADVANCE BASE. MORE RECENTLY, WE HAVE OBSERVED THE BEGINNINGS OF INCREASED ACTIVITY AT KOMPONG SONG IN CAMBODIA ON THE GULF OF THIALAND. IN FACT, WE HAVE WITNESSED THE ESTABLISHMENT OF A RING OF SOVIET BASES STRETCHING FROM DAHALIK IN THE RED SEA, TO THE FORMER UNITED KINGDOM BASE AT ADEN, TO THEIR USE OF SOCOTRA ISLAND, TO AFGHANISTAN, TO OUR FORMER BASE AT CAMRANH BAY--THEIR LARGEST PERMANENT NAVAL PRESENCE OUTSIDE THE SOVIET UNION. FROM THIS BASE STRUCTURE THE SOVIETS HAVE THE WHEREWITHAL TO INTERDICT ESSENTIALLY ALL THE VITAL LINES OF COMMUNICATIONS IN THE PACIFIC/INDIAN OCEAN REGION. THE OBJECT OF THIS PACIFIC BUILDUP WAS NOT ALTOGETHER CLEAR AT ITS OUTSET. HOWEVER, ANY UNCERTAINLTY WAS DISPELLED LAST JULY IN VLADIVOSTOK WHERE MR. GORBACHEV MADE A DEFINITIVE PRONOUNCEMENT OF SOVIET INTENTIONS TO BECOME A PACIFIC POWER. THAT PRONOUNCEMENT WAS SOON FOLLOWED BY THE COMMENCEMENT OF A DIPLOMATIC OFFENSIVE THAT RANGES FROM PROMISED TROOP WITHDRAWALS FROM AFGHANISTAN AND MONGOLIA IN PURSUIT OF A RAPPROACHMENT WITH CHINA, TO OVERTURES TO JAPAN, TO THE VERY CYNICAL SOVIET RATIFICATION OF THE SOUTH PACIFIC NUCLEAR FREE ZONE TREATY, ONE WHOSE TERMS THEY HAVE FALSELY CHARACTERIZED TO SUIT THEIR OWN ENDS. THEY HAVE MOVED OUT ON THE ECONOMIC FRONT AS WELL, GAINING ACCESS TO VAST REGIONS OF THE SOUTH PACIFIC THROUGH CONCESSIONAL FISHING AGREEMENTS WITH VANUATU WHILE ALSO SEEKING SUCH AGREEMENTS WITH OTHER COUNTRIES. THESE QUOTE PURELY COMMERCIAL TIES UNQUOTE HAVE TO YIELD THE MOST EXPENSIVE FISH IN THE WORLD. THE SOVIETS HAVE SOUGHT ACCESS TO THE PHILLIPINES UNDER THE GUISE OF MERCHANT SHIP REPAIRS IN PHILLIPINE SHIPYARDS, THE MOST IMPORTANT OF WHICH, BY THE WAY, "CHANCES" TO BE ADJACENT TO OUR OWN BASE AT SUBIC BAY. WITH REGARD TO OUR FACILITIES IN THE PHILLIPINES, IN MY VIEW, THEY ARE KEY TO OUR REMAINING A WESTERN PACIFIC POWER. THEY ARE ABSOLUTELY ESSENTIAL FOR MAINTAINING REGIONAL STABILITY. THIS FACT IS UNDERSTOOD BY ALL OUR REGIONAL ALLIES AND BY ALL WHO SUPPORT OUR REMAINING IN THOSE FACILITIES. PHILIPPINE DEFENSE AND MILITARY LEADERS UNDERSTAND THE KEY ROLE THESE FACILITIES PLAY IN REGIONAL STABILITY AND THE SECURITY THEY AFFORD THE PHILLIPINES FROM EXTERNAL THREAT. THIS IN TURN PERMITS THE NEW ARMED FORCES OF THE PHILLIPINES TO DEVOTE THEIR EFFORTS TO THE RESTORATION OF INTERNAL STABILITY AND ALSO THE ALLOCATIONS OF SCARCE RESOURCES TO REBUILDING THE PHILLIPINE ECONOMY.

A POINT NOT WELL UNDERSTOOD IS THE FACT THAT, WITHOUT THE USE OF THESE FACILITIES, I WOULD NEED TWO TO THREE TIMES THE NUMBERS OF CERTAIN CATEGORIES OF FORCES IN ORDER TO MAINTAIN THE WESTERN PACIFIC PRESENCE AND WARFIGHTING CAPABILITY THAT I HAVE TODAY.

SOVIET OBJECTIVES ARE CLEAR--WEAKEN, OR BETTER, DESTROY THE CURRENT U.S. SECURITY ALLIANCES IN THE WESTERN PACIFIC. GIVEN THE VARYING DEGREES OF

POLITICAL ASTUTENESS AND ECONOMIC SOPHISTICATION OF THE NATIONS OF THE PACIFIC REGION, SOVIET POLITICAL AND ECONOMIC STRENGTH AND INFLUENCE IN THE AREA MAY ACHIEVE SOME SUCCESS. THE SMALLER SOUTH PACIFIC ISLAND NATIONS CERTAINLY FIND THE "UP FRONT MONEY" OFFERED BY THE SOVIETS FOR FISHING AGREEMENTS ATTRACTIVE. THEY FAIL TO SEE THE SOVIET PLOY OF FIRST ESTABLISHING ECONOMIC DEPENDENCE THEN POLITICAL SUBVERSION AND EVENTUAL DOMINATION. WE NEED TO CONTINUE TO PURSUE PROGRAMS THAT DO NOT PROVIDE AN ENVIRONMENT FOR SOVIET ENTREE. WE IN THE PACIFIC FLEET HAVE INSTITUTED A NUMBER OF PROGRAMS TO ASSIST THESE NATIONS. I AM PREPARED TO GO INTO GREATER DETAIL IN RESPONSE TO YOUR QUESTIONS.

WHILE THE SOVIETS ARE ATTEMPTING A MORE SOPHISTICATED DIPLOMATIC AND ECONOMIC APPROACH FOR PENETRATION, NONETHELESS, THEIR PRIMARY MEANS OF REALIZING MR. GORBACHEV'S PROMISE TO BECOME A PACIFIC POWER LIES IN THE THREAT OR EMPLOYMENT OF MILITARY POWER: THE PREREQUISITE TO THAT IN A MARITIME THEATER IS MARITIME SUPERIORITY.

IN THE FACE OF THIS SOVIET CHALLENGE, IT IS THE RESPONSIBILITY OF THE PACIFIC FLEET, IN CLOSE COOPERATION WITH OUR SISTER SERVICES AND THE SMALL BUT CAPABLE ARMED FORCES OF OUR KEY ALLIES, TO ENSURE THAT THE SOVIETS ARE UNABLE TO INTIMIDATE US, OUR ALLIES, OR OUR FRIENDS. WE WANT TO CREATE AN ENVIRONMENT WHERE, THROUGH DEMONSTRATED CAPABILITIES AND INTEROPERABILITY WITH OUR ALLIES AND FRIENDS, WE SEND A CLEAR SIGNAL THAT, SHOULD THE SOVIETS INITIATE ANY ADVENTURISM, IT WILL BE VERY COSTLY FOR THEM. THIS THEN IS THE FIRST AND MOST IMPORTANT PART OF THE FLEET'S MISSION--DETERRENCE. THIS DETERRENT ENVIRONMENT IS THE VERY BEDROCK OF THE ECONOMIC AND SOCIAL WELL BEING OF THE REGION. WITHOUT IT THERE WILL BE NO CENTURY OF THE PACIFIC. WITHOUT IT THERE WOULD BE NO REGIONAL STABILITY. THE FLEET'S DETERRENT MISSION IS CARRIED OUT AT TWO LEVELS. AT THE ONE, THE SEVEN OHIO-CLASS TRIDENT SUBMARINES OF THE PACIFIC SUBMARINE FORCE REPRESENT THE PREEMINENT AND MOST SURVIVABLE ELEMENT OF THIS NATION'S STRATEGIC NUCLEAR TRIAD. AT ANOTHER LEVEL, WE ACCOMPLISH IT THROUGH THE SUSTAINED, ACTIVE, FORWARD PRESENCE OF CAPABLE, CREDIBLE FORCES--DAY IN AND DAY OUT. THE SOVIETS OBSERVE OUR FLEET OPERATIONS CLOSELY. I WELCOME THAT. I WANT THEM TO UNDERSTAND VERY CLEARLY THAT, IN THE EVENT OF WAR, THEY WOULD FACE THE MOST CAPABLE PACIFIC FLEET SINCE THE END OF WORLD WAR II. I BELIEVE THAT THEY DO; THAT THEY RIGHTLY PERCIEVE US TO BE CAPABLE OF GOING TO SEA, STAYING AT SEA, FIGHTING AND WINNING. I BASE THIS IN LARGE MEASURE ON THEIR ATTEMPTED EMULATION OF OUR EXERCISES AND ON THEIR TIRELESS EFFORTS TO COUNTERFEIT, BUY, OR STEAL THE SYSTEMS AND TECHNOLOGY THAT ARE A CRITICAL FACTOR IN OUR SUPERIORITY.

THE SECOND MISSION OF THE FLEET IS THE ABILITY, SHOULD DETERRENCE FAIL, TO ENGAGE THE ENEMY IN A TIMELY MANNER, FAR FROM OUR SHORES, TO FIGHT, AND TO WIN. SUCCESS IS DEPENDENT UPON THREE FACTORS: FIRST, SKILLED, MOTIVATED PERSONNEL; SECONDLY, SHIPS, AIRCRAFT, WEAPONS SYSTEMS, ORDNANCE AND MATERIAL OF THE RIGHT KIND, IN THE RIGHT NUMBERS, AND IN THE APPROPRIATE MIX, AND;

LASTLY LEADERSHIP, TRAINING, AND SOUND TACTICS. I WOULD LIKE, MR. CHAIRMAN, TO SPEAK TO THE FIRST TWO POINTS NOW AND RESERVE DISCUSSION OF RECENT TACTICAL LESSONS LEARNED FOR CLOSED SESSION.

AS REGARDS THE FIRST, I HAVE THE HONOR TO COMMAND THE MOST CAPABLE AND INDUSTRIOUS SAILORS AND MARINES THAT I HAVE ENCOUNTERED IN THE COURSE OF MY CAREER. IN THE TRADITION OF YOUR NAVY'S 211 YEARS OF SERVICE, THEY ARE UNEQUALLED IN DEDICATION AND PROFESSIONALISM. I NEVER CEASE TO BE AMAZED BY THEIR INGENUITY AND INITIATIVE. THEY ARE OUR NATIONAL TREASURE. THIS COUNTRY SHOULD BE PROUD OF AND GRATEFUL TO THEM. WE HAVE IN LARGE MEASURE RECOVERED FROM THE BLEAK YEARS OF THE LATE SEVENTIES WHEN WE LACKED THE PERSONNEL SKILLS AND NUMBERS TO MAINTAIN AND EFFECTIVELY OPERATE OUR SHIPS AND WEAPONS SYSTEMS; WHEN OVERWORK AND POVERTY WAGES DROVE TOO MANY OF OUR TOO FEW GOOD PEOPLE FROM THE SERVICE; WHEN WE WERE UNABLE TO RECRUIT EITHER ENOUGH PEOPLE OR THE RIGHT KINDS OF PEOPLE TO MAN A MODERN NAVY. THE PERSONNEL READINESS OF THE FLEET TODAY REFLECTS THE WISE PERSONNEL POLICY DECISIONS OF OUR PREDECESSORS AND THE SUPPORT OF CONGRESS IN RECENT YEARS. IF WE ARE TO SUSTAIN THAT READINESS, IT IS ESSENTIAL THAT OUR MEN AND WOMEN BE FAIRLY COMPENSATED AND THAT THE SHIPS OF OUR EXPANDING FLEET BE MANNED WITH SUFFICIENT NUMBERS. I URGE YOUR SUPPORT OF THESE TWO GOALS.

WITH RESPECT TO THE MATERIAL DIMENSION OF THE FLEET'S READINESS AND CAPABILITY FOR COMBAT, PACIFIC FLEET EXPERIENCE OF THE LAST YEAR HAS BORNE OUT THE SOUNDNESS OF THE PROGRAM ON WHICH WE ARE EMBARKED TO BUILD A BALANCED, CAPABLE, 600-SHIP NAVY. SO TOO HAS IT CONFIRMED THE REQUIREMENTS SET FORTH IN THE NAVY'S BUDGET REQUEST NEW BEFORE YOU.

OUR OPERATIONS AT SEA HAVE NOT ONLY DEMONSTRATED THAT THE "NUMBERS OF THINGS" IN THE PROGRAM ARE RIGHT. THEY HAVE ALSO SHOWN THAT THE DESIGN, CONFIGURATION, AND CAPABILITIES OF INDIVIDUAL NEW SHIPS AND SYSTEMS ARE APPROPRIATE TO MEET THE QUALITATIVELY EVOLVING THREAT. WE ALSO KNOW NOW THAT WE CAN EFFECTIVELY OPERATE AND SUSTAIN THESE NEW SYSTEMS. I AM BRIEFED DAILY ON THE READINESS OF MY SHIPS AND AIRCRAFT SQUADRONS--ON MINOR DEGREDATIONS AS WELL AS MAJOR. IT GIVES GREAT CONFIDENCE TO WATCH THE SUSTAINED READINESS OF THE FLEET, PARTICULARLY WHEN ONE REFLECTS ON THE SEVERE READINESS PROBLEMS OF JUST A FEW YEARS AGO. PERHAPS AS IMPORTANTLY, WHEN A SHIP DOES HAVE A CASUALTY, THAT CASUALTY DOES NOT PERSIST DAY AFTER DAY, AS IT ONCE WOULD HAVE. WITH SKILLED SAILORS ON THE DECK PLATES, SPARE PARTS IN THE STOREROOMS, AND NEW BETTER DESIGNED SYSTEMS, BOTH TIME TO REPAIR AND TIME BETWEEN FAILURES HAVE IMPROVED MARKEDLY.

ANOTHER POINT OF NOTE IS THAT, WHEN SKILLFULLY EMPLOYED, THERE IS A SUPERB SYNERGISM NOT ONLY BETWEEN THE NEW SHIPS, AIRCRAFT AND WEAPONS SYSTEMS IN THE FLEET BUT ALSO BETWEEN THE NEWER SHIPS AND AIRCRAFT AND THE MODERNIZED INSTALLATIONS IN SOME OF THEIR MORE VENERABLE SISTERS. FOR EXAMPLE, THE LAMPS

III HELICOPTER AND OUR NEW FFG-7'S HAVE BEEN EMPLOYED VERY EFFECTIVELY IN OVER THE HORIZON TARGETING OF BATTLESHIP WEAPONS SYSTEMS. OUR BATTLESHIPS THEMSELVES ARE A TREMENDOUS MARRIAGE OF THE BEST OF THE OLD NAVY AND THE NEW. THEY ARE A TRULY IMPRESSIVE ADDITION TO OUR FLEET CAPABILITIES AND HAVE PROVEN THEIR WORTH. F/A-18's ADD GREATLY TO THE CAPABILITY AND READINESS OF OUR AIR WINGS. THE AEGIS SYSTEM IN OUR CG 47 CLASS CRUISER HAS EXCEEDED OUR BEST EXPECTATIONS AND IS A TRUE FORCE MULITPLIER. THE 688 CLASS NUCLEAR SUBMARINES WITH THIN LINE ARRAYS COMBINED WITH THE IMPRESSIVE CAPABILITIES OF OUR TAGOS SHIPS, HAVE WRITTEN NEW CHAPTERS IN OUR ASW CAPABILITIES.

THE MOST GRAPHIC ILLUSTRATION OF WHAT HAS BEEN REALIZED TO DATE IN THE AREAS OF CAPABILITY AND READINESS IS A SNAPSHOT OF FLEET OPERATIONS IN THE SEPTEMBER-OCTOBER 1986 TIME FRAME WHEN--SIMULTANEOUSLY--VINSON BATTLE GROUP ENTERED THE INDIAN OCEAN ENROUTE THE NORTH ARABIAN SEA TO SUSTAIN A U. S. PRESENCE IN THAT TROUBLED REGION; AND, THE NEW JERSEY BATTLE GROUP, ON COMPLETION OF OPERATIONS IN THE YELLOW SEA AND SEA OF JAPAN, CRUISED THE SEA OF OKHOTSK IN ASSERTION OF THIS NATION'S RIGHT OF FREE NAVIGATION OF THE HIGH SEAS, AND THEN ENTERED THE NORTH PACIFIC; WHEN THE RANGER BATTLE GROUP, HAVING SURGED FROM THE WEST COAST TO JOIN WITH THE JAPANESE NAVY IN A MAJOR FLEET EXERCISE, THEN TURNED NORTH AND, WITH NEW JERSEY FORMED A CARRIER-BATTLESHIP BATTLE FORCE FOR OPERATIONS ALONG THE ALEUTIAN CHAIN; AND, CONSTELLATION BATTLE GROUP COMPLETED COMBINED OPERATIONS WITH THE CANADIANS, IN THE GULF OF ALASKA, THEN, RENDEZVOUSED WITH RANGER AND NEW JERSEY. MEANWHILE, KITTY HAWK'S BATTLE GROUPS SAILED FOR WORK UP IN CALIFORNIA HOME WATERS; AND, LASTLY, MISSOURI CONDUCTED A SUCCESSFUL ROUND THE WORLD SHAKE DOWN CRUISE. MR. CHAIRMAN, THE SIMULTANEOUS EXTENDED OPERATIONS OF FIVE COMBAT READY BATTLE GROUPS AND THE NUCLEUS OF A SIXTH FOR AN EXTENDED PERIOD, IN DIVERSE AND DEMANDING ENVIRONMENTS IS NO SMALL ACHIEVEMENT IN ANY TERMS. HOWEVER, WHEN ONE LOOKS BACK ONLY A FEW YEARS, IT IS A FORMIDABLE ONE. IN RECENT PAST WE WOULD HAVE HAD NEITHER THE SHIPS, NOR MEN. WE WOULD HAVE HAD TO CROSS DECK FROM ONE SHIP.TO MAN ANOTHER; TRANSFER AMMUNITION FROM SHIPS IN HOME WATERS TO FILL THE MAGAZINES OF DEPLOYERS; CANNIBALIZE A SYSTEM OF A SHIP IN SAN DIEGO OR ALAMEDA TO KEEP ONE GOING IN THE INDIAN OCEAN OR SEA OF JAPAN. THOSE IN THE NAVY AND IN THE CONGRESS WHO PLANNED FOR AND PAID FOR OUR HEIGHTENED FLEET READINESS HAVE GROUNDS FOR PRIDE AND SATISFACTION.

WITH REGARS TO SUSTAINABILITY--WE CERTAINLY HAVE IMPROVED OUR CAPABILITIES. ARE WE WHERE WE WANT TO BE? THE ANSWER IS NO, BUT WE ARE MOVING IN THE RIGHT DIRECTION. TO ME THE KEY IS TO LEARN TO USE WHAT YOU HAVE EFFECTIVELY. ANOTHER KEY ELEMENT IS PEACETIME INDUSTRIAL MOBILIZATION PLANS THAT SHOULD BE DEVELOPED NOW SO THAT, IN TIME OF CRISIS, THE TRANSISTION CAN BE MADE QUICKLY AND EFFICIENTLY. I AM CONVINCED, BASED ON OUR STUDIES, THAT AMERICAN INDUSTRY IS EQUAL TO THE TASK AND CAN PRODUCE THE THREAT-ORIENTED WEAPONS SO CRITICAL TO OUR ACHIEVING OUR OBJECTIVES.

WE ONCE PLACED GREAT FAITH IN THE ADVANTAGE THAT ACCRUED TO U.S. SHIPS AND WEAPONS THROUGH TECHNOLOGICAL SUPERIORITY, BELIEVING--PERHAPS RATIONALIZING--THAT BY ITSELF IT WOULD OFFSET NUMERICAL INADEQUACY. MR. CHAIRMAN, THE TECHNOLOGICAL GAP IS CLOSING. AND, WHILE I BELIEVE OUR NEWEST SYSTEMS TO BE BETTER THAN THE SOVIET'S BEST, THE MARGIN OF TECHNOLOGICAL SUPERIORITY IS NARROWING. THIS IN TURN COMPELS US TO BUILD TOWARD OUR 600 SHIP GOAL. THE 600 SHIP GOAL IS THE MINIMUM FORCE NECESSARY, WHEN PROVISION IS MADE FOR THE CONTRIBUTION OF OUR ALLIES, TO PROVIDE THE DETERRENCE NECESSARY TO MAINTAIN THE PEACE, AND TO WIN THE WAR SHOULD DETERRENCE FAIL. ACCORDINGLY, IN MY VIEW, WE MUST CONTINUE TO PRESS FORWARD WITH PROGRAMMED PROCUREMENT AND CONSTRUCTION, MODERNIZATION OF OUR OLDER SHIPS, AND THE RESEARCH AND DEVELOPMENT ESSENTIAL TO MAINTAIN A TECHNOLOGICAL LEAD. NO MATTER HOW GOOD IT IS, A SHIP OR AIRCRAFT CAN ONLY BE IN ONE PLACE AT ONE TIME--AND WE HAVE A LOT OF WATERFRONT TO COVER IN THE PACIFIC.

WE MUST STRIKE THE RIGHT BALANCE BETWEEN QUANTITY AND QUALITY. BECAUSE, AS THE COMMITTEE WELL KNOWS, NEITHER NUMBERS OF SHIPS NOR CAPABLE MODERN SYSTEMS ARE CHEAP, WE MUST BUY WHAT WE REQUIRE TO MEET THE THREAT IN THE MOST ECONOMICAL, HARD-HEADED, BUSINESSLIKE MANNER THAT WE CAN. WE MUST AVOID A SHORT TERM VIEW OF THE BUDGET WHICH WOULD ADD TO THE FISCAL BURDEN OF THE OUT YEARS AND CONFRONT US WITH BLOCK OBSOLESCENCE IN THE FLEET IN THE FUTURE. MOST IMPORTANTLY, WE MUST AVOID THE MISTAKES OF THE PAST SUCH AS THE BANKRUPT POLICIES PRIOR TO WORLD WAR II WHICH FAILED TO PROVIDE SUFFICIENT DETERRENT STRENGTH. MR. CHAIRMAN, I WOULD RECALL TO THIS COMMITTEE THE WORDS OF CARL VINSON--"THERE IS NOTHING MORE EXPENSIVE THAN A CHEAP ARMY OR A CHEAP NAVY."

AS I MENTIONED EARLIER, CREDIBLE FORWARD NAVAL PRESENCE IS A VITAL ELEMENT OF OUR DETERRENT POSTURE. MAINTAINING THE PROPER LEVEL OF DETERRENCE IS OUR PRIME OBJECTIVE. THAT FAILING, IN WAR OUR STRATEGY IS TO FIGHT FORWARD AND DEFEAT THE ENEMY IN HIS HOME WATERS AND WITH HIS TERRITORY AT RISK, NOT OURS.

EACH OF THESE FACETS OF THE 600-SHIP NAVY PROGRAM--NUMBERS OF THINGS, THEIR CAPABILITIES, BALANCE, RELIABILITY AND MAINTAINABILITY, SYNERGISM--IS IMPORTANT IF WE ARE TO MEET THE CURRENT AND ANTICIPATED THREAT IN THE PACIFIC THEATER AND CONTRIBUTE POSITIVELY TO THE OVERALL DETERRENCE EQUATION. FISCAL REALITY AND COMPETING PRIORITIES WILL ALWAYS PRECLUDE OUR MEETING THE THREAT NUMERICALLY IN BOTH KINDS AND NUMBERS ON A SHIP FOR SHIP OR PLANE FOR PLANE BASIS. WE DON'T NEED TO MATCH THEM IN NUMBERS, PARTICULARLY CONSIDERING THAT SOVIET MARITIME REQUIREMENTS ARE VERY DIFFERENT FROM OUR OWN BECAUSE OF MISSION AND GEOGRAPHY.

IN THE PACIFIC, THE MOST SIGNIFICANT THREAT IS IN TWO PARTS: A LARGE, MODERN SOVIET SUBMARINE FORCE AND SIGNIFICANT NUMBERS OF MODERN, CAPABLE, LONG RANGE ATTACK AIRCRAFT. THESE ARE THE PRINCIPAL SOVIET MEANS OF POWER PROJECTION WHICH THREATEN U.S. TERRITORY, BASES, ALLIES, AND LINES OF COMMUNICATIONS. TO COUNTER THE SUB THREAT I MUST HAVE A BALANCED, CAPABLE ASW

FORCE OF ABOUT 50 MODERN SSN'S WITH THIN LINE ARRAYS, MARITIME PATROL AIRCRAFT, AND INTEGRATED SURVEILLANCE SYSTEM, TAGOS SHIPS, AND THREAT-CAPABLE SURFACE ASW ESCORTS. HERE, I WISH TO EMPHASIZE THE WORD "MODERN" BECAUSE IT IS IN THE AREA OF SUBMARINE IMPROVEMENT THAT THE SOVIET PROGRESS OVER THE PAST FEW YEARS HAS BEEN THE MOST WORRISOME. I HASTEN TO ADD THAT I AM GRATIFIED BY OUR OWN ASW PROGRESS. NO OTHER WARFARE AREA, HOWEVER, IS SO SENSITIVE TO TECHNOLOGICAL CHANGE AND WE MUST REMAIN AHEAD OF THE THREAT. THROUGH THE RIGHT COMBINATION OF PROCUREMENT AND MODERNIZATION. BECAUSE OF THE SENSITIVITY OF ASW OPERATIONS, MR. CHAIRMAN, I WOULD ASK TO DEFER DETAILED DISCUSSION OF THIS ISSUE FOR CLOSED SESSION.

THE SECOND CAPABILITY REQUIRED IN THE PACIFIC TO THWART SOVIET POWER PROJECTION IS THE CAPABILITY TO PROJECT AND EMPLOY TACTICAL AIR AT SEA. THE EXPANSES OF THE PACIFIC NECESSITATE THAT THE FLEET ASSUME A SIGNIFICANT PART OF THE ANTI-AIR MISSION. WHILE NAVY AND AIR FORCE INTEROPERABILITY AND MUTUAL SUPPORT ARE IMPROVING DAILY, THE FACT IS THAT MY AIR FORCE COLLEAGUES HAVE VERY LIMITED BASING OPTIONS IN THE AREA WHERE WE MUST FLY TO COUNTER THE THREAT, EVEN IF ONE ASSUMES ALL BASES ON ALLIED TERRITORY ARE UNDAMAGED OR OTHERWISE AVAILABLE (AND WE ALL KNOW THAT WILL NEVER BE THE SITUATION). IN THE PAST YEAR THE SOVIET AIR THREAT HAS RANGED FARTHER AND WIDER THAN EVER BEFORE. THE SOVIETS HAVE REPEATEDLY FLOWN EAST ALONG THE ALEUTIANS TOWARD ALASKA, NORTHEAST ACROSS THE BERING, SOUTHEAST TOWARD HAWAII, AND SOUTH TO GUAM. WE HAVE WITNESSED REPEATED SIMULATED STRIKES AGAINST KOREA AND JAPAN. IN MANY CASES THESE AIRCRAFT HAVE BEEN ARMED WITH AIR TO SURFACE MISSILES. WE ROUTINELY INTERCEPT AT LONG RANGE (WELL BEFORE THEY REACH WEAPONS LAUNCH POSITIONS) AND ESCORT SIMULATED AIR TO SURFACE STRIKES AT SEA AGAINST SHIPS OF THE FLEET. THROUGH OUR DECEPTIVE FORMULATIONS AND OTHER TACTICS, WE AVOID DETECTION AND WE HAVE PROVEN WE KNOW HOW TO MANAGE THE SOVIET OCEAN SUVEILLANCE SYSTEMS.

IF WE ARE GOING TO KEEP OUR FORWARD-DEPLOYED FORCES AND OUR ALLIES IN THE WAR, WE MUST MAINTAIN MARITIME SUPERIORITY FORM DAY ONE OF THE WAR. IF WE ARE GOING TO HAVE MARITIME SUPERIORITY IN THE NORTH PACIFIC WE MUST HAVE MARITIME AIR SUPERIORITY. IF WE ARE TO OPERATE AIRCRAFT FROM SHIPS IN THE ABOMINABLE WEATHER OF THE NORTH PACIFIC, WHEN AND WHERE WE NEED TO, WE NEED SHIPS--LARGE DECK CARRIERS--WITH THE REQUISITE SEA KEEPING QUALITIES THAT WILL PERMIT US TO LAUNCH AND RECOVER UNDER THOSE CONDITIONS. THIS NEED TO OPERATE NUMBERS OF MODERN, CAPABLE AIRCRAFT WHERE THE THREAT TO U.S. INTERESTS IS THE GREATEST NECESSITATES MULTI-CARRIER BATTLE FORCES COMPOSED OF BIG DECK CARRIERS WITH MODERN AIRCRAFT. IN THE PAST YEAR THE PACIFIC FLEET HAS REPEATEDLY EXCERCISED IN THE NORTH PACIFIC ATHWART THE SOVIET FLIGHT PROFILES TOWARD ALASKA AND THE PACIFIC NORTHWEST. WHILE I WOULD LIKE TO DEFER THE DETAILS TO THE CLOSED SESSION MR CHAIRMAN, PERMIT ME TO MAKE SEVERAL POINTS--POINTS OF WHICH MY SOVIET COUNTERPARTS ARE WELL AWARE. WE HAVE PROVEN THAT WE CAN OPERATE CARRIER BATTLE FORCES WHERE AND WHEN WE WANT TO, NIGHT AND DAY, FAIR WEATHER

OR FOUL. WE CAN INTERCEPT HIS STRIKE AIR OR OTHER ANTI-CARRIER FORCES LONG BEFORE HE CAN REACH HIS WEAPONS LAUNCH POINT. WE CAN OPERATE WITHOUT BEING DETECTED UNLESS OR UNTIL WE CHOOSE TO BE AND CAN REMAIN COVERT UNTIL WITHIN STRIKING RANGE OF HIS BASES. MR. CHAIRMAN, I JUDGE THAT CAPABILITY--TO DEFEND WITH CONFIDENCE, TO HAVE THE CAPABILITY TO ATTACK WHEN DIRECTED--CRUCIAL TO THIS COUNTRY'S DETERRENT POSTURE AND, IF THAT FAILS, TO WINNING. IF WE ARE TO SUSTAIN THAT CRUCIAL ADVANTAGE, WE MUST HAVE YOUR SUPPORT FOR THE BUDGET BEFORE YOU.

I DO NOT WANT TO LEAVE THE ISSUE OF BATTLE FORCE REQUIREMENTS WITHOUT SQUARELY FACING AN ISSUE I KNOW TO BE CONTROVERSIAL-THE TWO CVN'S WHICH MIGRATED THIS YEAR FROM THE EXTENDED PLANNING ANNEX TO THE BUDGET ITSELF. QUITE FRANKLY, I'M A BIT PUZZELED BY THE CONTROVERSY. AS I NOTED EARLIER, OUR EXPERIENCE IN THE PACIFIC HAS REINFORCED THE NEED FOR THE 600 SHIP NAVY PROGRAM. THAT PROGRAM WOULD BE MUCH LARGER WERE NOT OUR ALLIES FACTORED INTO THE EQUATION, OR OUR OVERSEAS FACILITIES, FOR EXAMPLE SUBIC AND OUR FACILITIES IN JAPAN. THAT PROGRAM, FROM THE OUTSET, HAS CENTERED ON 15 CARRIER BATTLE GROUPS. THE NEED REMAINS VALID, THE GOAL UNCHANGED--AND I'D LIKE TO STRESS THAT POINT. THE TWO CARRIERS WILL NOT BE ADDITIONS TO THE FLEET BUT REPLACEMENTS FOR OUR AGING CARRIERS. THE PROGRAM RECENTLY PROPOSED TO THIS CONGRESS PLANS TO DO THAT IN AN ORDERLY, COST EFFECTIVE FASHION. BEGINNING TO BUILD THE TWO NEW CARRIERS AS PROVIDED IN THE SCN PROGRAM WILL, OVER TIME, SAVE US THREE BILLION DOLLARS. IT IS A SOUND AND BUSINESSLIKE DECISION, AN ECONOMICAL MEANS TO REPLACE EXISTING SHIPS WITH SHIPS CAPABLE OF CONDUCTING THE MISSION I HAVE JUST DESCRIBED. IN THAT CONTEXT, I WOULD LIKE TO ALSO DISPEL A SOMETIMES POPULAR MYTH. THERE HAS BEEN MUCH DISCUSSION IN PAST YEARS ABOUT THE EFFICIENCY OF SO-CALLED SMALL DECK CARRIERS. THE FACT IS THAT THE SMALL CARRIER WILL NOT DO WHAT MUST BE DONE. FOR ONE THING, THE SMALL DECK CARRIER DOES NOT HAVE THE DECK SIZE OR AIRCRAFT CAPACITY, AND SEA-KEEPING QUALITIES NEED TO OPERATE IN EITHER THE METEROLOGICAL OR THREAT ENVIRONMENT WHERE WE MUST BE ABLE TO OPERATE IN ORDER TO DETER OR BEAT THE ENEMY. PEOPLE WHO ADVOCATE SO-CALLED SMALL CARRIERS QUITE SIMPLY DO NOT UNDERSTAND THE REQUIREMENTS OF FIGHTING AND WINNING AT SEA. THERE JUST IS NO ASSURANCE THAT THESE CARRIERS COULD OPERATE WHERE REQUIRED. IN FACT, PRACTICAL EXPERIENCE GAINED IN PACIFIC FLEET OPERATIONS PROVES EXACTLY THE OPPOSITE. THESE SHIPS COULD NOT OPERATE OUR NEWEST AIRCRAFT, COULD NOT EFFECTIVELY OPERATE YEAR ROUND IN NORTHERN WATERS (WHERE WE WILL NEED THEM). INDEED, MIDWAY AND CORAL SEA MIGHT BE ABOUT THE SIZE OF NEW "SMALL" CARRIERS, BUT THEY THEMSELVES ARE SIMPLY NO LONGER CAPABLE OF OPERATING ALL OF OUR FRONT-LINE AIRCRAFT AND HENCE ARE LIMITED IN THEIR ABILITY TO SERVE AS THE FOCUS OF A CARRIER BATTLE GROUP. SECOND, THEIR SIZE SEVERELY INHIBITS THEIR ABILITY TO OPERATE IN HIGH SEAS. MIDWAY DISPLACES 64,000 TONS AND HER FLIGHT DECK IS 49 FEET ABOVE THE WATER LINE, THEODORE ROOSEVELT, OUR NEWEST CARRIER, DISPLACES OVER 90,000 TONS AND HAS A FLIGHT DECK 62 FEET ABOVE THE WATER--AND IN ROUGH SEAS THIS IS AN IMPORTANT DIFFERENCE, ONE THAT MEANS THE OLD CARRIERS ARE NOT SUITED TO

OPERATE WHERE WE WILL MOST NEED THEM--IN NORTHERN WATERS. FOR IT IS IN THE NORTH AND NORTWEST PACIFIC WHERE WE IN THE PACIFIC FLEET MUST HAVE THE CAPABILITY, AND BE SEEN AS HAVING THE CAPABILITY, OF CARRYING THE FIGHT TO THE SOVIETS, IF WE ARE TO MAINTAIN THE PROPER LEVEL OF DETERRENCE.

MR. CHAIRMAN I THANK THE COMMITTEE FOR PERMITTING ME TIME TO APPEAR BEFORE YOU TODAY. I AM PREPARED TO RESPOND TO YOUR QUESTIONS NOW, OR LATER IN CLOSED SESSION. BEFORE THAT, PERMIT ME TO SUMMARIZE THE MESSAGE I HAVE SOUGHT TO CONVEY. BOTH THE DETERRENT EFFECTIVENESS AND THE WARFIGHTING READINESS OF THE PACIFIC FLEET ARE IMPROVING. IT IS A FLEET THAT PREVIEWS THE FORTHCOMING 600 SHIP NAVY, A NAVY BEING BUILT IN A BALANCED FASHION, WITH PRIMACY OF FUNDING GOING TO ENSURING THE READINESS AND SUSTAINABILITY AT SEA OF OUR CAPABLE BATTLE GROUPS.

ADMIRAL JAMES A. LYONS, JR.
COMMANDER IN CHIEF U.S. PACIFIC FLEET

James A. Lyons, Jr., was born in New Jersey on 28 September 1927, the son of James A. and Marion F. Lyons. He was commissioned ensign, U.S. Navy following graduation from the U.S. Naval Academy in June 1952. Between 1952 and 1961, Admiral Lyons served successively aboard destroyers, cruisers and operational staffs. He later commanded the destroyer USS Charles S. Sperry (DD 697), the guided missile cruiser USS Richmond K. Turner (CG 20) and was Chief of Staff of Carrier Group Four. Admiral Lyons was selected to rear admiral in 1978. Following a tour in the Office of Joint Chiefs of Staff, he assumed command of Naval Surface Group, Western Pacific and Task Force 73 of the U.S. SEVENTH FLEET in July 1980. In June 1981, upon being promoted to the grade of vice admiral, he took command of the U.S. SECOND FLEET, the NATO Striking Fleet Atlantic and Joint Task Force 120 until July 1983.

Admiral Lyons' shore assignments include wide and significant experience in strategic planning and national affairs. He is a graduate of both the Naval War College and the National War College, and he has served tours as an action officer and Navy Planner in the Strategic Plans Division (OP-60), and as the Executive Assistant to the Deputy Chief of Naval Operations (OP-06). In 1978 and 1979, Admiral Lyons served in the Office of the Joint Chiefs of Staff, first as Assistant Deputy Director and then as Deputy Director J-5 (Politico-Military Affairs). During that time, Admiral Lyons was the JCS representative on the U.S. delegation conducting conventional arms limitation talks with the Soviet Union. From July 1983 until September 1985, Admiral Lyons served as Deputy Chief of Naval Operations (Plans, Policy and Operations) with additional duty as the Naval Operations Deputy and as the Senior Navy Member, U.S. Delegation, United Nations Military Staff Committee. During this tour Admiral lyons led the U.S. delegation to the Incidents at Sea Talks held in Moscow, May-June 1984. He assumed command of the U.S. Pacific Fleet on 16 September 1985 upon his promotion to admiral. In November 1986, Admiral Lyons led three Pacific Fleet ships on the first U.S. Navy ship visit to the People's Republic of China.

Admiral Lyons has been awarded the Distinguished Service Medal (Gold Star), Defense Superior Service Medal, the Legion of Merit, the Meritorious Service Medal, Navy Commendation Medal (Gold Star) and the Navy Achievement Medal. In addition, he has been decorated by the governments of France, the Republic of Korea, and Thailand.

He is married to the former Renee Wilcox Chevalier of Washington, D.C. Admiral and Mrs. Lyons have three children: Michele, Yvonne Lyons Linghuff, and James A. III.

NEW SOVIET EQUIPMENT IN PACIFIC AREA

Chairman STENNIS. All right, that was a very fine statement, gentlemen. This is a very knowledgeable witness. The set of facts is challenging and highly important. I think we have a chance for a few questions now, and we will come to the Secretary.

Senator Stevens, do you have anything you want to ask now?

Senator STEVENS. Well, I could get into a lot of things, Mr. Chairman.

Chairman STENNIS. I mean particularly on his testimony. I am just trying to give those that are here and have heard this witness a chance to ask him any questions they wish, and then we will have general questions.

Senator STEVENS. I did not see any reference to the new Soviet equipment that is operating in our area in the Pacific. At least, we have had reports of it being ready for operation.

POLMORNICK

Do you have any information about the Polmornick? I mentioned this morning when I was talking to Secretary Lehman about my utter awe at this new equipment, three Bear engines, 1,100 tons displacement, 60 knots over the ice and clearing a 10-foot ice ridge at full speed.

We have seen nothing about that in our briefings in the declassified area, and now I suddenly find that that vessel is being talked about in Europe. It is being tested in the Baltic Ocean but it is basically designed for operation in the North Pacific, the Arctic Ocean.

Admiral LYONS. Well, there are a number of things that I did not cover due to the press of time, Senator. I did not cover our LCAC operations and the specifics of what we did during our amphibious operations and many of the things that we were able to do in the Bering Sea and in the Aleutian chain.

Nor did I discuss their newest class of submarine, the Akula attack class submarine. We are watching all of these things carefully. I feel confident that I have a very good handle on what the Soviets are doing, where their submarines are, where their surface ships are, and it takes a whole series of sensors and various platforms to do this. We have been able to bring it together in a very effective way.

I will make one statement on the submarine side, and if we can go to closed session I will give you the details, but we are knocking their socks off.

OVER-ICE CAPABILITY

Senator STEVENS. I am interested in this new over-ice capability, what it means to the submarine operation under the ice.

Admiral LYONS. Well, they are going to have to operate that from a particular area or base, and the base that we see them operating from is [deleted].

Now, when I had *Vinson* in the Bering Sea, you know, we did a lot of aircraft operation. I think to go beyond that I would have to go into closed session.

Senator STEVENS. My basic question is why do we continue to classify the information? In the European press, they have seen the Polmornick. They have had it on their television. The people know about these new systems, and the American people do not. When are we going to start talking publicly about some of these things you tell us in closed session? We are not going to get the budget that you need until these American people know about these new innovations.

Admiral LYONS. I am not classifying it. In fact, if anything, I have been in the forefront in declassifying certain things, and certainly to talk about that does not give me any problem. What I cannot talk about at this time is some of the things we are doing. I am certainly not going to hand the Soviets what I consider to be key information about what we are doing up there.

Senator STEVENS. I would not ask you for that. I would ask you, all of you, for more forthcoming in terms of the type of threat and the changes that are coming about in the Pacific.

I think that the new submarine activities in the North Pacific, the new vessel activities in the North Pacific, we see Bear flights, as you know now, routinely now in the Alaska airspace, and this concept now that we are going to see permanent year-round ice operations on the permanent ice pack of the Arctic Ocean I think is something the American public ought to understand.

Chairman STENNIS. All right, gentlemen, pardon me. I think we had better go to the Secretary now. He is here on an important mission.

Mr. Secretary, I have already told you we are glad to have you here, and you just proceed now in your own way.

DEPARTMENT OF THE NAVY (SHIPBUILDING AND LOGISTICS)

STATEMENT OF HON. EVERETT PYATT, ASSISTANT SECRETARY OF THE NAVY, SHIPBUILDING AND LOGISTICS

USE OF NAVAL FORCES

Mr. PYATT. Thank you, Senator. It is a pleasure to be here again. If I may, I would like to enter my prepared remarks for the record and briefly bring up a few points because I know you want to get to questions.

Chairman STENNIS. Without objection, that will be placed in the record.

For those of you that could not be here at the very beginning, this is Assistant Secretary of the Navy Everett Pyatt, in charge of Shipbuilding and Logistics, and we asked him to be here.

All right, go ahead.

Mr. PYATT. Thank you, sir.

It is really tough to follow such an eloquent explanation of the way our forces are used. My role is to buy them as inexpensively as we can and then to be sure that they are supported and show the kind of results that the admiral just put up on the screen.

When I see those results, I am pleased at a lot of the work that has been done in the Navy, by Defense agencies in support of the Navy, that it has all come together and it all works.

The Navy, as I see naval power, is really an instrument to support and assure that our sister services can be supported overseas. Without a strong naval presence, without the ability to protect the sea lanes, their utility would be substantially degraded. I think what Admiral Lyons has described here this morning is really the essence of all of that.

STATUS OF NAVY BUDGET

As far as where we stand in today's program, we have all but three of the major programs under contract, and we will soon get the Trident, the cruisers, and the DDG under contract this year.

So I would like to say that we are just as prepared to execute this year's program, whatever the Congress approves. I would like to just point out one thing, that we have tried to save money. We are about $6.8 billion under the President's request from 1983 through the 1986 program. I think that is, again, a credit to a lot of people doing a lot of hard work.

I saw an article in 1983 in Time Magazine raising an issue of the President's budget submission, saying that the $12.7 billion shipbuilding submission was unrealistically low. We have now executed that program, and the execution has come in at $10.5 billion. That says that what we read in the press should not necessarily be taken as truth. There are a bunch of people dedicated to squeezing the most out of every dollar that we can, and we want to do it again this year.

The carriers that are in the program will be repeat carriers of the class now being built. We will undoubtedly be with the contractor and with the suppliers, squeezing dollars where we can, and I am sure that we will be able to produce that program also within the budget now before you.

That finishes my remarks, sir, and I am prepared for your questions.

[The prepared statement of Mr. Pyatt follows:]

PREPARED STATEMENT OF HON. EVERETT PYATT

ASSISTANT SECRETARY OF THE NAVY, SHIPBUILDING AND LOGISTICS

Mr. Chairman and distinguished members, I am Everett Pyatt, Assistant Secretary of the Navy (Shipbuilding and Logistics).

I am pleased to appear before this committee, along with Admiral Lyons and Admiral Kelso, to discuss our progress in constructing and sustaining the 600-ship Navy. These distinguished naval officers are eminently qualified to address why the United States needs such a Navy and how we intend to operate it. I will focus primarily on the issues of how we manage the acquisition of the 600-ship Navy and whether it is affordable.

American strategy calls for the Navy to complicate the planning of potential adversaries by being able to press home the battle over widely dispersed geographical areas. The Navy is also responsible for ensuring resupply of our sister services in any extended conflict. More than 90% of our supplies will be carried by sea. The Navy must be ready and capable of seeing that the supplies reach intended destinations and in doing so we support the Air-Land Battle doctrine of our sister services. Thus the 600-ship Navy cannot be a goal of transitory interest. Our current and future budgets reflect the sustaining rate for a ready 600-ship Navy. This, together with the necessity to keep abreast of new technology, will require real budget growth of 2-3% each year. Is such a growth rate affordable? The FY 88 budget just submitted by the President represents 6.1% of our GNP, a figure substantially lower than the 1964 Defense budget which--prior to the Vietnam buildup--was 7.9% of GNP. The current DOD budget request is 28.2% of the Federal budget request--down from 41.8% in 1964. Our budget request certainly is affordable---we cannot afford less. A weakened military will only invite adventurism on the part of our adversaries.

The 600-ship Navy is now a certainty. An average of 20 new construction ships must be authorized annually in order to maintain that 600-ship force level. The current five-year shipbuilding plan provides for 102 new construction ships. It will require an average annual SCN appropriation of about $11.0 billion, in FY 87 dollars, to sustain the 600-ship force level. That is just about the amount that the Congress has been appropriating the past few years.

In the face of increased demands for conventional defense capabilities and an era in which we see foreign bases and ports of call at risk the aircraft carrier will become an even more important tool of our conventional defense and foreign policy. The President's Budget for Fiscal Years 1988 and 1989 contains long-lead funding for two nuclear powered aircraft carriers for which the Defense Department plans to request authorization in FY 1990 and 1993. The FY 1988-89 long-lead funding is the beginning of a balanced, long-range aircraft carrier procurement strategy which is of paramount importance to the execution of the Maritime Strategy to meet the growing Soviet deep water threat. The total cost of the two ship program is expected to be $6.9 billion. We [deleted]. We need to move forward now--if we wait we are in danger of losing the carrier building expertise which has been developed at Newport News Shipbuilding and Drydock. That expertise would otherwise have to be rebuilt at substantial expense some time in the future.

Recent commentaries have suggested that new strategic forces, including these aircraft carriers, are being bought at the expense of the U.S. Army. The arguments tend to focus on inter-service or inter agency competition for funds--such stories may whet the appetite of underemployed think-tank analysts, but they fail to capture the essence of the inter-service planning which has characterized the Reagan Administration. Improvements have been gained across the board; our strategy is forward looking and flexible built on the combined arms strengths of all our services and the many contributions of our allies. The threat is the Soviet Union and its Communist surrogates---not the budget analyst or programmer of one of our sister services. The Reagan Administration has consistently supported the long range goals of all the services--for the Navy that goal is a 600-ship Navy centered on 15 carrier battle groups, four battleship surface action groups, and 100 nuclear-powered attack submarines. Budget realities have dictated some adjustments in priorities. In the Navy that has meant some programs will come to fruition slower; some of lesser importance have become unaffordable and have been cancelled. Our broad goals have not changed.

The President's Budget for FY 88 and FY 89 does much more than buy hardware. It is a balanced program designed to achieve the requisite training levels, sustainability and readiness to go in harm's way if ever required. Combat readiness, demonstrated for all to see in fleet exercises and forward operations, is the key factor in a successful deterrent posture. As Secretary Lehman has noted, in the past six years, overall combat readiness for surface ships has improved by 111 percent, for nuclear attack submarines by 69 percent and aviation squadrons over 200 percent. Overall ordnance stocks have increased between 20% and 90% since 1981. The backlog of ships awaiting overhaul has been reduced to zero while at the same time the number of ships in the fleet has been substantially increased.

A few programs have caused some problems. I would like to report on the current status of those programs:

LCAC

After substantial problems in getting a reliable craft, we have nearly completed and proven all the corrections. Current testing is going extremely well and I expect to move into competitive production this summer following completion of testing.

MCM No ships have been delivered. The lead shipbuilder is almost two years behind schedule and is close to resolving his production problems on the lead ship, but performance overall at both shipbuilders approaches dismal.

Some problems have evolved during this past year:

SSN-751

The SSN-688 submarine class is undergoing a block change to improve combat characteristics of the ship including under-ice capability and a new sonar system (BSY-1). There have been some delays in this program. One problem involved an error in sizing cableways. This is an important problem because the manufacturing process has little tolerance for these errors. The problem is well on the way to being solved.

CG-47

Bath Iron Works has had problems achieving planned productivity and the Navy has been unable to meet schedules for government furnished equipment. I expect costs to increase above the target, but to remain within the ceiling price.

MIDWAY

In order to correct a number of problems, including hull strength and damage control stability, that had evolved over the life of the MIDWAY, hull blisters were installed on the ship last fall. These blisters gave rise to an unexpected roll problem which restricts flight operations. We are investigating the problem and its solutions at this moment.

We have had our problems, but we are proud of the successes we have achieved in the past few years in acquisition management. We have found that increased competition, and attention to specification control and minimal design changes lead to significant savings. Since FY 1981, we have doubled the competitive percentage of our procurement dollars from 25 percent to 51.9 percent in FY 1986. Aviation spare parts competition has almost quintupled since 1981, while ship spare parts competition increased by more than 70 percent. In this process, prices have been reduced by an average of 10-12 percent per year over the past three years, saving over $900 million in the spare parts budget.

We have made spectacular improvements in shipbuilding competition. In FY 1980, only 15.7 percent of the shipbuilding budget was competitively awarded. In FY 1986, that figure is 83.1 percent. We currently do not procure the TRIDENT submarine or the MHC on a competitive basis. However, in FY 1988, we also will introduce competition in the TRIDENT program, and MHC procurement will be competitive in FY 1989. By now, there should be no question that competition reduces price levels.

On that note, I would like to discuss the initiative of the Congress to compete ship repair and overhaul work between public and private shipyards. In FY 1985, we began to implement this competition, which was designed to give both public and private yards the incentive to reduce overhead and increase efficiency--to reduce costs. Of 17 ships competed so far, public shipyards won 11 of the competitions and 6 were won by private yards. Through competition, the public yards have been forced to reduce their costs by becoming more efficient. We have reduced overall public yard costs by $500 million per year. We are extremely pleased with public/private competition and intend to expand the program further.

Dual-sourcing works--in spite of the predictions of many who believe that competition is not the way to go. The Navy Tomahawk award in December of almost 400 missiles proves them very wrong. McDonnell Douglas and General Dynamics are the dual source producers. The actual average unit cost award was $693,000 or $177,000 less than the competition forecast and $367,000 less expensive than the sole source unit price. This year's total savings over the sole source forecast is $143M and $69M over the competition forecast in constant FY 85 dollars. Furthermore, experts told us in 1981 that development of a second source for the CG-47 class AEGIS cruiser would cost an additional $437 million. Through FY 1986, we have saved $2.8 billion in CG-47 competition. However, as I noted before, we face the possibility that some CG contracts will rise above target. Since our budgets are based on target cost, it may be necessary to reprogram within resources available in the Navy.

Another significant acquisition initiative has been our drive to improve program stability. For years, post-award change orders have caused delays, cost overruns, and claims in our ship and aircraft acquisition programs. We instituted much tighter control of change orders. Changes must be approved by both the

Secretary and the Chief of Naval Operations or the Commandant, Marine Corps as appropriate. The system has worked. It has made our acquisition structure aware of the need to settle on configuration early--in development--and to hold the line on that configuration.

We are also striving to eliminate "gold-plating" of our systems. Requirements often have been overstated. In the past, we have avoided the use of commercial specifications even though they may be quite adequate for our purposes. We find that challenging requirements lead to more realistic requirements which reduces the complexity, technology advances, and cost of a new system.

We are now streamlining our own specifications and standards, tailoring specifications to realistic requirements and searching for non-developmental, off-the-shelf items for our systems. We have done well in the aircraft area so far--over $700 million saved on the T-45, V-22 and E6A TACAMO aircraft. We have achieved similar savings through application of commercial standards in auxiliary ships.

Our value engineering (VE) program has been most helpful in identifying non-essential or unnecessary functions and requirements. Savings are shared by the Navy and contractor. In FY 1986, we achieved Navy-wide savings of about $600 million from value engineering.

Another significant change has been our move from cost-plus to fixed-price type contracts. By moving to fixed-price contracts with incentives, we have reduced our cost and generated industry initiatives to be more efficient.

We now use fixed-price incentive contracts with a shareline. The government and the contractor share any savings (usually 50/50) and the contractor pays for all overruns above ceiling. The incentive provided to the contractor by this type of contract has prevented overruns and claims and has led to contractor efforts to reduce costs and improve productivity. A notable example is development of improved submarine construction techniques which will reduce construction time by about 20 percent.

Through these improved acquisition strategies, competition, fixed-price incentive contracting, elimination of "gold-plating," and avoiding nice-to-have but expensive post-award engineering changes, we have saved a great deal of money.

In the four years 1983-1986, we have executed the program almost $6.8 billion below the President's Budget levels in shipbuilding and over $2.0 billion in aircraft procurement. Millions more have been saved in procurement of missiles, ship and aircraft electronics systems, and spare parts of all types. I believe this is the kind of result the Congress expects of us. It is in significant contrast to predictions in the press of gross overruns. In 1983 TIME Magazine said that the President's FY 1984 shipbuilding budget submission of $12.7 billion was "unrealistically low." In fact, the FY 84 budget is currently being executed for $1.8B less despite the addition of an FFG and battleship to the original program.

Our military emphasis is changing from force building to force modernization, readiness, and sustainability. Our primary business mission is to achieve our force level, modernization, readiness, and sustainability goals at reduced cost. Even so we believe that modest steady growth is necessary. The threat has not lessened. We cannot afford a return to the meager defense budgets of the 1970s. As you review our budget request in the context of our national objectives and commitments and the threat to these objectives and commitments I am confident you will reach similar conclusions. Your support is necessary and appreciated.

Mr. Chairman, that concludes my statement.

GENERAL QUESTIONING

Chairman STENNIS. How long have you been with the Navy on this kind of work?

Mr. PYATT. I am originally a civil servant. I started out right after school in defense management, worked in R&D in the Office of the Secretary of Defense, Program Planning, Installations and Logistics. I went to the Navy for awhile. I went to DOE for a while. I spent since 1981 in the office I am in now, first as the principal Deputy and subsequently as Assistant Secretary.

Chairman STENNIS. All right, thank you, sir.

Senator Johnston, that brings us to you, sir.

Senator JOHNSTON. Thank you, Mr. Chairman.

Welcome, Secretary Pyatt and Admirals.

LCAC TESTING

Secretary Pyatt, I am glad to see in your statement that the LCAC is doing well. I understand a test was recently completed in California. Would you elaborate on that testing program?

Mr. PYATT. I think Admiral Lyons is closer to the current test than I am.

Admiral LYONS. Well, fortunately I had the opportunity to ride in the LCAC myself and was in the first launch from the Germantown, the new LSD.

I was tremendously impressed with the capabilities of the LCAC. Let me tell you what we have in there. We have a very sophisticated platform, and we have, I would say, the coxswain is a chief boatswain's mate. He must have at least the dexterity of a helicopter pilot to control that platform and maybe a little bit more.

We launched from seaward of the beach with about 30 feet of visibility, and we were roaring along at 35 to 40 knots.

Senator JOHNSTON. Onto the beach?

Admiral LYONS. From the launching point into the beach up at Camp Pendleton.

Senator JOHNSTON. You consider it to be highly successful?

Admiral LYONS. I feel that it will be one of the greatest advances we have had in amphibious warfare in the last 20 years.

PROBLEMS WITH LCAC

Senator JOHNSTON. They were having some problems for a while which they thought would be correctable on those side vents. That has been corrected now?

Admiral Lyons. Basically it has. We still have some wrinkles to work out, but in fact I think we are going to deploy the first LCAC this summer out to the Western Pacific.

Senator Johnston. Has any thought been given to accelerating this program, Mr. Secretary?

Mr. Pyatt. We are currently in the testing phase that OSD requires. As the test results come in, I keep trying to see what we can do to accelerate. Folks want to see the test results in the formal testing, but we have the proposals on the street or nearly on the street for people to begin their preparations to come back to us with bids.

Senator Johnston. Admiral Lyons confirmed what I had heard about that testing.

CAPABILITIES OF SHIPBUILDING INDUSTRY

Secretary Pyatt, I am very concerned about the capabilities of our shipbuilding industry today. What opportunities do you see in the next 5 years for this industry, and can you maintain adequate capability in our shipbuilding capacity?

Mr. Pyatt. To maintain a 600-ship Navy we need to build about 20 ships a year. There is excess capacity for that 20 ships a year, so without some form of commercial construction coming along, I would expect to see a shrinkage in the industrial base.

Senator Johnston. Gentlemen, I will throw this out for whoever wants to answer it.

CARRIER BATTLE GROUP CAPABILITIES

In the Monday, February 2 Defense Week, there was an article about a 1979 Pentagon study that has been recently declassified on the carrier battle group mission in which it was stated that land-based aircraft are more effective in the backfire mission than are the carrier battle groups.

Today, March 4, there is an article by John F. Ahern on Pentagon strategy which concludes that in the raid on Libya, overlooked among the White House rhetoric was that two Navy carriers needed the assistance of 18 land-based Air Force bombers which in turn needed the support of 28 Air Force tankers to mount a night attack on a second-ranked military power.

This action demonstrated that the carrier task force is not a very powerful weapon even if it does make an extraordinary grand flag-waving device. At $17 billion per carrier task force, the cost of one Navy bomber appearing over an enemy target is about the same as a B–1, and they may be similarly ineffective.

Would you respond to both the study which was recently declassified and that article on the effectiveness of the carrier task force, considering that we are getting ready to start two new ones?

Admiral Kelso. I was there, so I will take it on.

First of all, you have to look at what we were tasked to do. We were tasked to carry out a mission one time, a short period of time. We chose to do it in a period of time that we thought would have the least attrition to American airmen. That meant we chose to do it at night.

The desire was for the maximum damage that you could get, so it made sense to bring in night bombers. We carry so many night bombers on each carrier to maximize the ability to hit targets. So it was a good decision, in my view, to do that.

Now, what they do not point out very often is that the people who provided the suppression, the people who provided fighters, if the Libyan Air Force had decided to come out, were U.S. Navy airplanes that came off of those two carriers.

They also do not point out that had you wanted to take more time to do it, we had plenty of fire power on the carrier to do whatever damage you wanted to do.

So they forget that the mission was a particular mission for a particular reason, and it has little to do with the capability of the carrier, little to do with the capability of the airplanes that flew out of England.

I would also say if you wanted to sustain an operation in that theater very long, you better get a base pretty close by to do it or you will not be able to fly that mission every day or fly it very often, where with the carriers you could have continued to do that as long as you wanted to provide ordnance to them.

So my feeling is that the study does not really look at what happened. He has an idea he wants to present, therefore he presents it in such a way to give you the conclusion he wants, and he does not really look at the problem that we were asked to do or how we were asked to do it or the reasons why we wanted to put maximum ordnance on target in one short particular period.

Senator JOHNSTON. How about the 1979 study on——

Admiral KELSO. I have not read the study, but to my view I do not understand it because it does not make much difference what kind of airplane intercepts them and shoots them down, whether it is a Navy F-14 or an Air Force F-15 or F-16. The issue is whether you can get in a position to do it. With the mobility you have with the carriers, you can go anywhere there is water and get yourself in a position to do it and intercept them.

Senator JOHNSTON. It is concluding that land-based aircraft could do the job better and for less money.

Admiral KELSO. My point is I think that is an erroneous conclusion. I do not think it makes much difference what kind of airplane it is. You have to have the technology and capability to deal with the Soviets and the missile capability to deal with them, but what kind of airfield it flies from seems to be immaterial to me. What you get from the carriers you do not get from airfields. You can move them where you want them and you do not have to have the diplomatic permission of whatever country you are going to put them in.

Senator JOHNSTON. You understand, I did not say these things.

Admiral KELSO. Yes, sir, I understand. I am just giving you my view of the study.

Senator JOHNSTON. Thank you, Mr. Chairman.

Chairman STENNIS. Senator Cochran.

EXPANDED BUDGETARY ROLE OF COMMANDERS-IN-CHIEF

Senator COCHRAN. Thank you, Mr. Chairman. I think it is interesting that we have two Commanders-in-Chief before us who, under the legislation we passed last year, have been given new opportunities to participate in the budget process. The Joint Chiefs of Staff reform legislation sought to include these Commanders-in-Chief in more of a day-to-day role in the budget process.

I would like to ask each of you what your reaction to these new opportunities were. Have they in fact been made available to you, or do we continue to see the budget developed in the Pentagon with a consideration of Commanders-in-Chief taken into account only?

Senator SASSER. Mr. Chairman, before the witnesses respond to that question, I wonder if the Senator from Mississippi would yield for one moment? I am going to have to go to another hearing, and I would like your permission to submit some questions for the record.

Senator COCHRAN. I am happy to yield for that purpose, Mr. Chairman.

Chairman STENNIS. Very good. Without objection. Do you have them now?

Senator SASSER. I have the questions ready, Mr. Chairman, and I will hand them to the appropriate staff member.

Chairman STENNIS. Without objection, the questions handed in by the Senator from Tennesssee will be put in the record.

Senator SASSER. I thank the Senator.

Senator COCHRAN. Admiral Lyons.

Admiral LYONS. I think what you were referring to, Senator, is the expanded budgetary role that the unified commander now gets to play, and of course, as the component command, both Admiral Kelso and myself make detailed submissions to the unified commander to assist him in presenting his arguments to be considered during the budgetary process.

Of course, we have always done that, but I think now the unified commander probably achieves greater visibility under the new system that has been mandated than he previously did.

Senator COCHRAN. Admiral Kelso.

Admiral KELSO. I think that is true, sir, and I also think that we have been given a greater role than our unified commander in providing an input into the budget which goes into the joint arena and which the members of each of the service chiefs take a look at. So I think the role has been strengthened. I think it had been going that way for some period of time over the past several years, that the unified CINCs have been given a greater role in the budget process through the Defense Resources Board and their having a voice on that.

KINGS BAY SUBMARINE BASE AND D-5 MISSILE

Senator COCHRAN. You mentioned in your statement, Admiral Kelso, about the ninth Trident submarine, the *Tennessee*, will be the first to be homeported at the new Kings Bay submarine base. I know that you had a role to play in both the Kings Bay Base development and the D-5 missile. I wonder if you could provide the committee with an idea of how these two programs are progressing toward the target date of 1989?

Admiral KELSO. I think they both are progressing very well, sir. The first pad shock of the D-5, I believe, took place in January, which is right on the time frame, early 1987, when we had thought it would take place from the beginning of the program. From all that I have heard of it, I have not seen personally the test results, but it was a complete success.

The submarine is the ninth Trident. As you probably are aware, we decided to put the D-5 missile in the ninth Trident rather than backfit it, which was the original plan, in order to save the money that would be required to backfit. In other words, the earlier we can pick up the new construction schedule for the D-5 hardware fire control system, we would save having to buy an extra set to put in and refurbish the ship.

The ship will be commissioned in 1989. We will then do the performance shocks at sea on the U.S.S. *Tennessee* before the system becomes operationally capable. I know of nothing at this time that would indicate it will not meet the IOC which is planned for both the missile and the ship, sir.

FORRESTAL-CLASS CARRIERS

Senator COCHRAN. I wonder, Secretary Pyatt, whether we can overstate the importance of the long lead funding for the two carriers that you describe in your statement? The two carriers to be replaced, as I understand it, are the *Midway* and the *Saratoga*, with the argument being made in the case of the *Saratoga* that she will be 40 years old in 1996.

There are five other *Forrestal*-class carriers, with the *Forrestal* being 1 year older, and all of them have been commissioned within 5 years of the *Saratoga*. How are we going to overcome this block obsolescence of the aging of these carriers when the lead times and the costs of the new ships are so much greater than when the *Forrestal* class was first built?

Mr. PYATT. I think when the *Forrestal* was first built, there was considerable debate about the cost and necessity; somewhat a repeat of the recent debates.

We had only specified one of the *Forrestal* class generically, waiting for a future decision on which ship would be. We are facing a time period to replace seven carriers commissioned in 7 years in the 1950's and early 1960's. And we are facing that problem. You have precisely outlined it.

We had to get started. That was one of the facets in our consideration for moving these two carriers up early. We felt that the combination of the needed replacement and the efficiencies we could get from continued production would put together a sensible program.

That was the reason for moving the carriers forward. We still have the other part of the problem to face that you have outlined.

AEGIS CRUISERS

Senator COCHRAN. I was glad to see the slides showing the AEGIS class cruiser and the vertical launch. I'm very proud of the fact that Ingalls Shipbuilding Division has been so competent in its handling of those contracts for the construction of the AEGIS cruisers.

And having been there, and seen the work that's being done, I'm delighted with your comments about the performance, the cost-effectiveness of that program in terms of spare parts, lack of manpower committed to upkeep of the system; and the fact that it does its job.

Admiral LYONS. And it gives us 50 percent more missile capacity on the ship. In other words, instead of just 80 we're up to 122.

Senator COCHRAN. As an operating commander, as a person in charge out in the fleet, your marks for that system are very high?

Admiral LYONS. Yes, sir.

Senator COCHRAN. Thank you, Mr. Chairman.

Chairman STENNIS. Thank you. Let's see, Senator DeConcini was expecting to return.

Senator STEVENS. Could I ask Secretary Pyatt a question while we're waiting?

Chairman STENNIS. Yes.

SEALIFT

Senator STEVENS. Mr. Secretary, I'm sure you will recall my obsession with Sealift. I wonder if you could tell us really what we're going to do now that you have identified the sealift problems?

As a matter of fact, Admiral Hayes has mentioned that to me. Why is our sealift request declining when the needs are increasing?

Mr. PYATT. Well, we are still stuck in the same problem that we've been involved in. We finally got to the state the Navy had to go buy sealift rather than rely on the private sector. We've been through that.

You had an innovative idea with the revised mariner program. You saw what would happen. The administration opposed it, even though the Navy supported it. And we just have to go back at it again.

Admiral Hayes, I think, is very perceptive on the point. I happen to agree with him. And we'll have to work at it some more.

We have a problem in manning the ships that we have, so it's an unsolved problem.

Senator STEVENS. Mr. Chairman, I would suggest one of these days we have a hearing to go into the sealift problem. I think that's the most acute problem that the Navy faces.

Let me ask the two admirals a question, Mr. Chairman. And it's sort of strange.

AIDS RESEARCH

As you will recall, the last 3 years I've insisted that the Department of Defense get involved in AIDS research. Because I believe that the people we send throughout the world involuntarily, I mean military people, can't decide where they're going to go.

You all tell them where they're going to serve, and it's a little different from people who voluntarily go into areas of very high AIDS concentration.

I've been hearing rumors that there are problems that the Navy has, particularly in the Pacific, with regard to the heavy concentrations of AIDS in Japan and in the Philippines.

Have you had a test program, Admiral Lyons, as far as testing for AIDS in the Pacific? And could you tell me if you have, if those numbers have changed, as I have heard?

Admiral LYONS. Well, I think as you know, Senator, the Pacific fleet, we were out in front of everybody on instituting an AIDS test program.

And we have essentially completed testing—it's above 70 percent. And the entire Pacific fleet has gone through a test program. And the results were very gratifying from the standpoint of an AIDS-free Pacific fleet.

Now there are high-risk areas in the Pacific region which we have sought to identify, and for which we have set up an education program for all people, particularly when they are going into such an area that may be a high AIDS prevalent area.

I'm not familiar with a study that says—well, I'm not sure what you were referring to, that Japan is a high AIDS area. I don't think that is necessarily true.

Senator STEVENS. Well, is the reverse true? Is there any fear that we are carrying AIDS in there?

Admiral LYONS. The Pacific fleet is not an AIDS carrier.

Senator STEVENS. I understand that, generally. That's true. Your numbers are very good. I'm not implying they're bad, but I'm implying, from the point of view of the background I've had in dealing with the people that are researching AIDS, and our dealing with the problem of trying to devise prevention against transmission and temporary protection for military people, they tell me we've got some problems coming in the Pacific.

And I'm trying to understand those, and this may be the only time I get a chance to talk to you. And I'd like to know if it's true.

Admiral LYONS. Well, I think that, as I say, we've been far out in front of everybody else. I feel very comfortable that the Pacific fleet is basically AIDS free. And anybody that we do detect that has the virus, we take appropriate medical action to assist those people.

AIDS TEST RESULTS ON PACIFIC FLEET

Senator STEVENS. Let's do it this way, Mr. Chairman. I would like to request that you give us the results of your test for the Pacific fleet. And you give us any information you have as to the locality of contacts as far as those people who have been tested positive, so that we can get some figures into these people that I'm dealing with that are trying to work on the program, not only for the military but for everybody, in terms of protection against transmission.

I'd like to know what percentage of your Navy applicants have tested as positive. What percent of your Navy personnel that are onboard already, that are in the Navy, have tested positive in terms of this new test procedure you've been through.

It's been just in the last 18 months that you've done this, isn't it, roughly?

Admiral LYONS. We started this test over a year ago.

STATISTICS ON AIDS TESTING

Senator STEVENS. Can you get those statistics for the record, Mr. Chairman? You have been very much out in front. I think you have some statistics that we haven't seen.

Chairman STENNIS. All right, Admiral, for the record, we'd like you to supply those answers for insertion in the record, and they will appear as though you testified here.

[The information follows:]

AIDS TESTING

We have tested 287,243 Pacific Fleet personnel for AIDS, as of mid-February 1987, all deployed personnel have been tested as of 25 March. We have had a positive test rate of approximately two-tenths of 1 percent for all personnel tested in Guam, Okinawa, Subic Bay, Yokosuka, Japan, and Hawaii. Any further figures are not held by CINCPACFLT, and will have to be obtained from OSD(H-A).

REQUEST FOR SUBMITTED QUESTIONS

Chairman STENNIS. Now, excuse me, Senator DeConcini came back especially to be heard. Let's take time out here to commend this young man here for handling those pictures. That's very good. Very good, Admiral. That's a fine presentation.

All right, Senator?

Senator DECONCINI. Mr. Chairman, thank you very much. I know how the Admiral feels about his staff making him look good. I'm sure you appreciate that, as we do up here.

Mr. Chairman, I have some questions in writing from Senator Byrd who can't be here, and I would ask unanimous consent that they be submitted to be answered by the witnesses.

Senator JOHNSTON. And from Senator Hollings.

Chairman STENNIS. All right, Senator Hollings' questions will be admitted for the record, too.

Senator DECONCINI. Thank you.

I do have some written questions, but I do have a couple I would like to ask Secretary Pyatt.

P3 PHOTOTYPE DRUG SURVEILLANCE AIRCRAFT

Mr. Secretary, as you know, the continuing resolution for 1987 mandated the Customs Service to build a P3 prototype drug surveillance aircraft to be retrofitted with an APS 138 radar.

The APS radar was authorized and fully funded in the urgent supplemental appropriation bill of 1986, to be purchased and installed on a custom Navy aircraft for drug interdiction purposes.

The Attorney General, Director of OMB, Secretary of the Treasury, the National Drug Enforcement Policy Board, and the Congress have all signed off on this project, and the President of course signed the bill into law.

The only remaining obstacle to starting the project is the Navy, which has steadfastly refused to turn over the radar, despite the statutory mandate to do so.

Can you tell us the status of that APS 138 radar for this project, and when will the Navy turn it over to Customs so they can begin the P3 drug surveillance project?

Mr. PYATT. It was my understanding—and I'll correct this for the record if it proves to be wrong—but it's my understanding that the only radars that we have are those scheduled to go into airplanes for which we have made GFE commitments.

There's no problem with ordering another one.

Senator DECONCINI. Are you telling me, then, you're not going to turn it over until you get another one?

Mr. PYATT. We have—as I understand, we have contractual commitments for all our radars to go into airplanes.

Senator DECONCINI. Well, when are you going to have another one? An APS 138 radar?

Mr. PYATT. I'll have to provide that for the record.

Senator DECONCINI. Would you, please?

Mr. PYATT. Yes, sir.

[The information follows:]

APS 138 RADAR DELIVERY

The earliest an APS 138 radar could be delivered to the Customs Service is 24 months following a future contract award. No APS 138's are currently being manufactured nor does the Navy have a requirement for any additional units. All previously manufactured APS 138's are installed in operational or production aircraft.

AH1 ATTACK HELICOPTER

Senator DECONCINI. Mr. Pyatt, it's also my understanding that the Navy would like to continue discussions with Israel's representatives on the joint AH1 attack helicopter night targeting system.

I'm aware that Chairman Stennis' letter of February 3, 1987, requested the Navy not to proceed with the NTS program until this committee has reviewed a prior approval reprogramming request.

And I understand that this request will be submitted shortly to the committee.

In the interim, however, is there any problem with the Navy proceeding with discussions up until the time of the award, again, with the understanding that the committee must first review the reprogramming request prior to that award?

Mr. PYATT. I'm not familiar with this particular program.

In general, though, when we get a request from a committee like this, we don't do anything until the committee approves. That is our general operating policy.

Senator DeConcini. So will you submit a response for that?

Mr. Pyatt. Yes, sir.

APS 138 RADAR

Senator DeConcini. Let me go back to the APS 138, Mr. Pyatt. What I would request from you and your office is to give us the number in the inventory, what the orders were or demands were for operational APS 138s prior to the appropriation bill in 1986, and what they are today.

I don't want to leave a misimpression, but I'm very concerned that the insistence that our national security gets exaggerated in order not to cooperate with the drug enforcement policy board decision, and the mandate of Congress.

I may be dead wrong. But it has a great concern to me that one APS 138 radar is not going to jeopardize our national security.

I'd like to know how many we have deployed now. How many we have programmed this year. And how many we had programmed last year, so I can see a little better picture of it.

Mr. Pyatt. Well, we have them in airplanes and committed to production lines, and that's our problem. You solve one problem and you create a bunch of others.

Senator DeConcini. Yes, sir. But I'd like to know if that production line has increased since this drug bill went up, and why one of these could not be somewhere taken out of the production line further down.

It just troubles me. Maybe there's only six of them. Maybe there's only 12 of them. Maybe it's a very, very limited, precious item that we're talking about here; I don't know.

Mr. Pyatt. We normally only buy for airplanes for which we've had funds appropriated. So I don't think there are any spares around. But we'll provide the answer.

Senator DeConcini. Mr. Chairman, I'll submit the balance of my questions.

Chairman Stennis. Without objection, the remainder of the questions by the Senator will be submitted for the record.

Let me make it clear to you witnesses, that's not a downgrading of your testimony at all for it to come into the record in that way.

That's the way we cut corners here, trying to save time, frankly. We have to be in two or three places at the same time all along, and that's the way we do it.

All right, you are finished otherwise? All right, Senator Kasten, you are next.

Senator Kasten. Mr. Chairman, thank you. And Mr. Chairman, thank you for your patience, and also your deliberate way of trying to be sure that all of us have an opportunity to testify, to ask the witnesses questions.

It's a pleasure to work with you.

MCM PROGRAM

Mr. Pyatt, I want to first of all thank you for your help in all the work back and forth that you've done and others have done in trying to get the MCM program back on track. I know it's not perfect yet, but I think we're making progress.

A lot of that is due to the work that a number of us have done.

I'm glad to see that the first ship is in the water; that we're going to begin testing this summer.

On a different subject, has a contract been signed with the Italian shipbuilder now for production of the MHC ship?

MHC SHIP

Mr. PYATT. The contract has been signed for the design of an MHC that would carry the American combat system. It is well along, nearing completion.

The process is underway to bring that prefabrication to the United States in accordance with the law, and to build the lead ship here with the Italian firm, Intermarine, being the shipbuilder.

They will have a shipbuilding activity here in the United States. We will then, as soon as that gets started, we will begin our normal procedure of bringing on a second source and getting the second source qualified.

And we expect to be in competitive procurement in 1989.

That's an aggressive program. I think it is a case where we are really making the two-way street and NATO arms cooperation work.

They have a fine ship. It has been over 10 years in the development. And we're looking forward to being able to incorporate that ship in our Navy.

Senator KASTEN. The actual contract, then, has it been awarded?

Mr. PYATT. The contract for ship construction has not been awarded.

Senator KASTEN. It has not been awarded?

Mr. PYATT. It is under negotiation. But I expect it to be completed very soon.

Senator KASTEN. In the 1988 budget submission, followon MHC ships are more than twice as much, twice as costly, as the MSHs. It's my understanding that the Navy established a cap of roughly $65 million for the lead MSH.

Does the MHC have the same mission as the MSH?

Mr. PYATT. I think when we got into the MSH, we discovered that the requirements for the ship, what we demanded of the ship and the combat system, made that price totally unrealistic. And that was the reason that we abandoned that program.

Senator KASTEN. Well, my understanding is that we've got two ships that were supposed to be similar, but one is now going to be at roughly $100 million, and the old one was to have been at about $65 million.

Why is the cost almost doubled for the MHC?

Mr. PYATT. I think the old one would have been closer to $130 million, the way it was going. We were in trouble, as I testified last year about that ship.

Senator KASTEN. Mr. Chairman, I have several other questions that I would like to submit for the record. And I thank you very much.

Chairman STENNIS. All right, the remainder of your questions, then, will be submitted to be answered for the record.

Senator, that brings us to you, the Senator from New York.

Senator D'AMATO. Thank you, Mr. Chairman.

MINESWEEPERS

Mr. Chairman, one of my questions, which Secretary Pyatt has addressed, concerns the minesweepers. Maybe we could pursue that a little more, because that seems to be one of the criticisms of the home porting, the fact that there is an insufficient minesweeping capability.

Could you respond in terms of what timetable you feel will be adequate, and will we have adequate of minesweeping, to deal with at least those who have brought criticism forward with respect to home porting and the viabilities?

Mr. PYATT. I think, and these two gentlemen know more precisely than I do, but one of our main shortcomings in our Navy is our mine countermeasures ability.

That's the reason we tried to build two new classes of ship. It has not been a very successful program, as you know. And so that's the reason we had to go scramble and find another design.

It's in our program to build ships which we think will provide adequate coverage. In mine countermeasures work, there is always a substantial amount of debate about what "adequate" is, since mines are one of those things most difficult to predict its impact on operations.

I think dispersing the fleet around the country makes the Soviet mining problem much more difficult than if it were just a few places.

Again, these two gentlemen may want to expand on that.

Senator D'AMATO. Admiral?

Admiral KELSO. Well, I think it's very difficult to have a complete definition of how many you need. Because first of all, neither Admiral Lyons nor I are going to sit idly by and let them mine, so what they can mine depends on what we can also prevent them from mining.

And I agree with Secretary Pyatt, that the more we disperse the fleet, the harder the mine operation is for the Soviets or any enemy who wanted to mine.

So I think getting the two classes on the road provides us with the wherewithal.

I think the original look was to be able to open up the ports to allow us to provide the rapid reinforcement that we would need to Europe.

Additionally, whether you're going to buy enough minesweepers or mine clearance capability to do every port at the same time I think is a very difficult problem to do.

You may have to do some of it sequentially and not be able to get a ship out of one port until you could move the minesweepers there to do it.

And it's that kind of a work-around, in reality, if we ever had to deal with it, sir.

HOME PORTING

Senator D'AMATO. Well, Admiral, on this whole question about home porting, reliability, et cetera, both Secretary Pyatt and yourself alluded to it. You then reaffirm the position that home porting strategically gives us a greater advantage as it relates to capabilities in responding to a crisis, and makes us less likely to have our entire fleet bottled up.

Admiral KELSO. Well, I think that's unquestionably true, sir. The ability to disperse the fleet, we are increasing, as Admiral Lyons showed in his fleet, a considerable number of ships. And we also have a considerable increase in the Atlantic.

It doesn't make any sense to me to keep piling them up in the same place. We have, as you know, going up the East Coast, Staten Island is an important place to go. And the Gulf, I think, from our side is important to go.

If you look at the Gulf area, we don't have any forces or infrastructure in position down there except for training bases in Guantanamo and San Juan. To be able to protect the SLOCS in that part of the world. A third of our oil comes out of it, and about 70 percent originates or passes through that part of the world today.

It's a very important maritime area that we have to be able to protect. And to do that with the long distances you have to go all the time, without having an infrastructure in that area, it's difficult.

I think an overlooked part of it is that we would like to have more credible and larger reserves. And we are working very much—we put more frigates in it to be able to do it; more airplanes.

We in the Navy, since we are geographically located in a small number of areas, have to draw from a population that lives in many others. It gives us an opportunity to have a closer reserve population to these expanded ports also, which I think a lot of people overlooked.

Senator D'AMATO. That's a point that I heretofore have not heard made, and I think it's a very valid point, with respect to the utilization of those in the population belts for reserve purposes.

Admiral KELSO. Yes, sir.

PROGRESS OF HOME PORTING PROJECTS

Senator D'AMATO. Obviously an issue in the development at the New York Port of Staten Island—I know you are about to sign contracts. How is the homeporting project progressing overall in those areas?

Mr. PYATT. Generally within their expectations that we had when we started. Any time, under today's laws, there are local issues that need to be resolved. Some of them are harder than others, and there are always new procedures that have to be followed.

Senator D'AMATO. Are we talking about the environmental impact statements?

Mr. PYATT. The environmental impact statements, the local regulations that may occur for shore protection and wetlands protection, all those things, plus the actual work of getting the agreements, where we had agreements with the local entities. I think the toughest one right now is in Everett. From what I can see, Admiral Lyons has been involved in that, but of the ones around the country, it's the toughest right now. There are a lot of issues that need to be aired, and that's fine.

Senator D'AMATO. Is there some local opposition, Admiral?

Admiral LYONS. Well, primarily it centers on the Tulalip Indian tribe and their interpretation of their traditional fishing rights, which, in my own view, has been greatly magnified.

Senator D'AMATO. It's a good thing Peter Minuit bought the island of Manhattan from the Indians for $24.

Admiral LYONS. In terms of strategic homeporting in the Pacific, when the NIMITZ comes into Puget Sound in June, we essentially have achieved the strategic distribution of the fleet on the West Coast of the United States. In general terms, that satisfies that allocation of forces. But we ultimately want to be able to complete the project at Everett, and I think we will be able to do that, as we sit down as reasonable people and come to an agreement on this. And we are actively working that issue today.

Senator D'AMATO. Thank you very much, Admiral.

Mr. Chairman, thank you for your graciousness, as always, and I want to thank Mr. Pyatt and both of our witnesses who accompanied him. I think the Navy has done a splendid job. It's not always easy, as Admiral Lyons has pointed out. There are at times legitimate concerns, environmental and other issues, that sometimes make the homeporting issue more difficult.

I think they are headed in the right direction. We have undertaken the right policy, and I believe in the fullness of time it will pay great dividends, not only in the strategic defense of our Nation, but also in creating the kind of relationship between civilians and military personnel that is very important.

We shouldn't have areas of the country that have not seen or interacted with those, whether it be the men in blue or others, who are in the service of their country. There should be a strategic relationship between them and their families growing up in our communities.

I think that's very important to keep the proper respect and relationship between military personnel and civilians. It ensures a better understanding of the needs of those who serve us.

So I commend you for a number of reasons, and I know that there have been some in the media and others who have taken to criticizing homeporting, but I think it's important for the reasons we have stated, and I commend you for the job you have done and the sensitive way in which you have handled it, as well.

Thank you, Mr. Chairman.

Chairman STENNIS. Thank you, Senator. I am glad you could get here. This has been really a splendid hearing.

Gentlemen, now we have plenty of time. That is an unusual situation, that we have plenty of time. I am going to ask you a broadsweeping question now.

Anything else, in addition to what has been said, or points that have been made, that you wish to bring up? I am calling on you for anything that may come to your mind that should be considered here.

CONCLUDING STATEMENTS OF WITNESSES

Mr. PYATT. I think we have had a full hearing this morning of the issues at hand. You know, our most important issue is the carrier. We want to get it fully disclosed and talk about it. But I would like to commend this committee for an action that it took a couple of years ago in instituting public/private competition among shipyards. I have found that a very important tool in our activities, to improve the efficiency of government operations. And I think that the wisdom of this committee has really shown true.

Admiral Lyons has a specific request, and he would like to go over some issues in executive session. And if it is possible, I think it would be very beneficial.

Admiral LYONS. Mr. Chairman, in open session I would still like to come back to what I consider the key ingredient to the successes that we have achieved to date, and that is our people. And I would ask the committee, as you have done in the past, to continue to support those basic personnel-related programs, which include the selected bonuses, our retention bonuses for nuclear submarine personnel, our pilot retention bonuses, because today this is the key ingredient to the successes that we have achieved to date.

And I would like to say in open session that there has been a lot of talk about a national draft. With the type of technology and with the type of equipment that we have today, a one-year draft does absolutely nothing for my readiness. In fact, it would probably even drive it down. The people that we need today are the high tech-qualified, and I think we have proven to ourselves that we can compete at the marketplace for the type of talent that we will need to man the 600-ship Navy for the future.

And with the continued support of this committee and Congress, I am fully confident that we can continue to man the 600 ship Navy.

Chairman STENNIS. All right, thank you for your remarks.

All right, Admiral. I call on you now.

Admiral KELSO. I would like to thank this committee for the opportunity to appear before you this morning. I would like to ask that in your considerations this year that you look favorably on the increase in end strength which the Navy has asked for. You have, with all your wisdom, provided the money for the 600-ship Navy, but we have billets on those ships that we have to fill in the future, and we have been, each year, reduced from what we have asked for, and I feel that the commitment should be to provide the personnel to operate them because I completely agree with Admiral Lyons that the increase in readiness that we have seen over the past 6 to 7 years has been as a result of our people, the way they have changed, the interest they have in doing their job.

It has been precipitated by the support of the Congress. It is precipitated by their belief that the American people think what they are doing is important, which comes from the Congress and what you do for us.

We do need the people we are asking for. We are taking out of the hide of the shore establishment today. We have done about all we can do in that regard to man our ships. I think we can recruit the people; we can train the people. They have the requisite capability to deliver the technology we have today. But we can't continue to be capped at end strength if we are to continue to man these new ships. We need that very much.

Chairman STENNIS. All right, thank you, Admiral. Thank you very much.

Gentlemen, I am not intending to flatter you at all, but this is one of the best hearings I have ever attended. You have made quite an impression on all of us who were fortunate enough to hear your testimony.

I note some of the points you make. I want to refer back to them briefly.

DEVELOPMENTS IN OCEANOGRAPHY

A few years ago I had a chance to come in contact with some of the naval oceanography activities. I know it got off to a new start in a way, and I wonder how developments are coming along now? I haven't had any contact with it lately, and I know you have had some developments in that field. Just volunteer and answer.

Admiral LYONS. Well, of course, oceanography is very key to our operations at sea, in particular in antisubmarine warfare. We need to know as much as possible about the environment—we need to know more than the Soviets know. And the Soviets, as you know, Mr. Chairman, have made a tremendous investment in oceanographic research ships to find out where the various currents, subarctic fronts and eddies are, in order to hide their submarines.

Now we take all of this into consideration today when we set up our various search plans and patterns. So it is a continuing requirement. Do we have all the information we need? No, but we are working on it.

Certainly there are some programs which have been delayed, but hopefully they will come into fruition at an affordable cost, and I am referring to N-ROSS, which could make a substantial input into our knowledge.

Chairman STENNIS. All right. Are you getting the support you need from those of us here in the Congress, the appropriations, the money? Are you getting the money you need, a reasonable amount? Just be frank about it.

Admiral LYONS. Let me say I think right now, the programs and the forces and the people you provided me are the best I have ever seen, and it is the thing that gives me the confidence today that I can carry out my mission.

What I think we need to do is continue doing exactly what you have done, to continue to support the programs that we have because to me, as I have said earlier, the key underpinning to our national strategy is maritime superiority. It is an absolute essential. It is not a luxury. And I think by the support that we have had from this committee, that is fully appreciated.

I would like to say with regard to the funds that are provided for our steaming days and flight hours, we manage those very carefully. In fact, we assign, for every operation, specific expenditures on barrels of fuel so that we know on any given day what we are spending, in order to maintain the presence, and hence, the deterrence and the readiness of not only our deployed forces. But those forward presence forces are at the minimum, in my view. We cannot afford to drop below where we are today.

So if there is a floor anywhere in the fiscal side, we are at it now in steaming days and in flight hours, if we are going to continue to meet the commitments that are now laid on us and to be able to have the flexibility to change our pattern of operations so that we are not predictable.

For example, last year I took the carrier *Ranger* and I surge-deployed it for 58 days—an unheard of operation—surge-deployed a carrier for 58 days to the western Pacific. It worked out great. It was the one thing—that and the *New Jersey* battleship in Inchon during the Asian Games—which provided the confidence and the backup for the stability on the Korean Peninsula during that tense period. So said by General Livsey, who said it was one of the key elements why those Asian Games came off so well in Korea last year.

And today, as we are standing here, I have surge-deployed the *Ranger* again, and it is en route to Korea, this time to participate in Exercise Team Spirit.

These are not normal, predictable patterns of operations. So if we drop below where we are in fuel funding, then we are going to become very predictable and very rigid. That, to me, doesn't contribute to the type of readiness and the deterrent posture that we want to maintain. We want the Soviets to be off balance and confused, not us.

Chairman STENNIS. All right. Well, that is a fine statement you made.

QUIETNESS IN SUBMARINE RUNNING

Now I remember one thing in the Navy that I at one time gave some attention to was the matter about the submarines making noise, or not making noise. How is that coming along? Has that improved considerably in the last 10 years?

Admiral KELSO. From the standpoint of construction and operation of submarines, one of its major features that you try to build into it is quietness. That is a technology all itself that we have learned, and we think we have maintained a technological lead throughout history, the history of our submarine programs.

The SSN-21 is a major step forward in that direction. In fact, over the period of time since we built the *Los Angeles*-class submarines, the Soviets have built about seven classes of submarines. If you looked at their capability from a noise-quieting standpoint, you will see that they have made dramatic strides in quieting their submarines, which improves their capability significantly.

We must, I believe, take that step to regain some of that technological lead, and I think the SSN-21 is the opportunity to do that. It will provide the platform of quietness that we need to start into the next century with, and I think that is a very important program. And I hope this committee will support it fully because without a quiet submarine, we will not be able to do ASW with the capability that we have in the past, in the future, sir.

Chairman STENNIS. Well, that is encouraging, what you say, but also shows how you needed to be on the alert and on the go.

Admiral KELSO. We must not ever stop in that area because it is only a matter of technology, and the Soviets understand the technology. They are learning the technology. They are steaming as fast as they can. And we have to stay ahead of it. It requires that we push ahead to maintain that technology, and the lead in technology.

Some people will tell you that our lead in that technology has gone from 10 to maybe 3 to 5 years today over the past 10-year period.

Chairman STENNIS. Well, I have a few other questions here that I would like to reserve the privilege of submitting for the record, to be given attention by you gentlemen. And I make the same request for Senator Weicker of Connecticut, who is a member of our committee. There are certain questions here that he wants answered.

Those are submitted for the record without objection, with the request that they be answered.

All right, each one of you now individually. Is there any other point you can think of that you wish to make, starting with you on my left, Admiral?

NECESSITY OF CARRIER CONSTRUCTION

Admiral LYONS. Well again, I would like to say to this committee, and I have said in my formal statement, that what I consider absolutely essential, is the continued construction program of our two nuclear carriers as the cornerstone to maintaining the proper level of insurance which we all seek. And I think through discussing the type of operations that we were able to describe today, that the committee got a little better insight into the environment where we believe we are going to have to operate those carriers—and why.

And if we are going to operate in that particular environment, in the northern Pacific, in the Bering Sea, those areas where I believe we can make a strategic difference in the Pacific, then we believe we need the large deck carriers to do that. Rough equivalence isn't good enough in this game.

Chairman STENNIS. Well, this is one of those cases now where we have to have the proof here to put before the other Members, the Members who are not on the committee. We have to be able to answer their inquiry about the actual need with reference to these carriers. And we cannot build up the Navy by answering "Well, maybe so; maybe so." We have to have a strong, positive, definite answer: "It is essential."

Now do you think that last point that I made is correct? Is that the situation?

Admiral LYONS. It is absolutely essential, particularly in the Pacific. The Pacific is a maritime theater which I know the chairman fully appreciates and in the Pacific that we don't do anything unless the Pacific fleet and the 80,000 Marines that are under my command are in the forefront. Of the roughly 330,000 military forces in the Pacific theater, 250,000 of them are in the Pacific fleet.

In order to carry out what I believe are our objectives and requirements, the additional large deck carrier that would accrue to the Pacific fleet I believe gives us the margin of superiority that we will need to meet our national objectives.

Chairman STENNIS. All right, Mr. Secretary, you may comment on my question.

Mr. PYATT. I think that with the competition of funds that we face in putting together our program, if they weren't absolutely essential to maintain the forces that we have and to maintain the strategic posture of deterrence that we have, we wouldn't have put them in the budget.

And the fact that we have done it and have taken these steps to do it, out of savings, by the way, that have accrued from our business practices, I think it is a clear indication of how strongly we feel about these ships.

Chairman STENNIS. All right, Admiral?

Admiral KELSO. I would second Admiral Lyons' view of the large deck carriers as essential as we go forward, to sustain the 600-ship Navy. The smaller deck carrier simply cannot carry the sort of aircraft that are needed to live in today's environment, combat environment. We have to look at a Soviet world. They have built very extensive defenses. The type of aircraft carriers we need have to carry the types of airplanes that do ASW, to roll back those defenses to allow bombers to get into position.

If you look at the carriers like the *Midway* and the *Coral Sea* that were built 50 years ago, they simply do not have the deck space to carry the airplanes needed. They don't have the deck space to carry fuel. If you take a carrier like the *Midway* and the *Coral Sea*, you have to refuel it about three times as often as you do the large deck carriers that are even conventional. When you bring nuclear power into it, you increase its range and versatility greatly.

I think we have proved over the past year or so that the concept of how to operate planes from carriers, the jamming airplanes, those that provide suppression, are the way to go in the future, that you need that complement of airplanes, and the large deck carrier is the only way to do it and be survivable in the world ahead of us, sir.

Chairman STENNIS. All right, thank you very much.

CONCLUDING REMARKS

Now on behalf of our entire committee and the entire Congress, I want to thank you gentlemen for your preparation for this appearance, for coming here, giving your testimony freely in a very clear and effective fashion. I think it has done good—I know it has—in making the situation understood better.

We have to continue to have your help, though. There are others on the Hill who are going to pass on this matter besides those of us who have been here this morning. They have causes that are important to them and they believe they are correct. I will just call that to your attention. You keep moving, keep moving.

Mr. PYATT. Thank you, Mr. Chairman.

SUBMITTED QUESTIONS

Chairman STENNIS. This hearing has been worked on, too, very effectively by our committee and subcommittee staff, preparing all these questions and making suggestions. It reflects credit on them and it reflects a need by our Navy, by our country. I feel that some positive, constructive results will come from your work on it and the staff's work.

I read in a book once that Rome was not built in a day. They built it in a day to start with, as I understood it as a little boy, and rain came and it melted overnight. They had to rebuild Rome. So you are not going to get each additional provision in the bill, additional equipment, by asking for it one time. You have to ask for it a lot of times.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

Questions Submitted by Chairman Stennis

SHIPBUILDING BUDGET

Question. Secretary Pyatt, the shipbuilding budget has been between $10 and $11 billion every year since 1984. With large deficits, it is unlikely the shipbuilding budget will increase. Can we afford $7 billion for two more aircraft carriers, if the shipbuilding budget does not increase?

Answer. Yes, we can afford two new carriers if we sustain a relatively stable shipbuilding funding profile of about $11B in FY 87 dollars. Force level sustainability is a careful balance of service life and new construction to ultimately replace retiring ships. Our long range planning indicates that with a 45-year service life, we need to build a new carrier every three years to sustain a 15 carrier force level on the average. This construction profile also takes advantage of serial production economies at the only United States facility now capable of building these ships. Since we are now starting to replace the carriers delivered in the 1950s the next decade will require continuous production of carriers.

We have significantly reduced the costs of naval ships, in part by the stable funding provided by Congress which has avoided the inefficiencies and unit cost growth inherent in boom or bust cycles characteristic of the past. With a stable shipbuilding funding profile of about $11B in constant dollars, the "average annual" investment cost in aircraft carriers is only about 10% of the SCN budget and will sustain a 15 carrier force level indefinitely. Inasmuch as the 15 carriers represent the principal conventional striking power of the fleet and also are the focal points of aviation ASW in the surface fleet, a 10% "average annual" investment of SCN funds in aircraft carriers is not only affordable, it is also a military necessity.

Question. What would be the effect on procurement of other ships such as AEGIS cruisers and LHD amphibious assault ships if the Congress held shipbuilding to $11 billion, but ordered two more carriers?

Answer. We have significantly reduced the cost of naval ships including AEGIS ships and LHD amphibious ships. A stable annual shipbuilding funding profile of about $11B in constant dollars will allow us to sustain the 600 ship Navy by building the requisite ship types in a balanced force that meets the threats we face. With the two new carriers we will continue to build to a force level of 27 AEGIS cruisers plus 29 DDG 51 and then additional follow-on AEGIS destroyers. We w ill also continue to build LHD and other amphibious ships to meet the MAF plus MAB assault echelon amphibious lift requirement.

ANTI-SUBMARINE WARFARE REQUIREMENTS

Question: Admiral Kelso, you say anti-submarine warfare (ASW) is your number one priority. Are you concerned that buying two aircraft carriers will mean fewer improvements in anti-submarine warfare capability in 1988 and the future?"

Answer: In my annual Command Situation Report to the CNO I did list ASW as my number one priority. By listing it as number one priority, I did not intend to indicate that this was a funding issue alone. As a Fleet Commander, I am responsible for training and I believe that by improving our training in the ASW area is a major way to improve our capabilities. Most improvements in training can be done at the Fleet level and we are doing this. A review of the Navy's program indicates that there are large sums of money being spent that should improve our future ASW. This includes both Research and Development and Procurement. ASW is an area in which you must complete Research and Development for new sensors or new weapons before you can procure them. The Navy's program, in my view, is a valid one with sufficient resources being spent toward areas which will improve ASW. The SSN 21, I believe, is essential to our future capabilities in ASW. I do not believe that necessary improvements in ASW preclude buying the two replacement carriers, which in my view, are clearly needed as sustainability replacements for our older, smaller decked, less capable carriers. Improvements in ASW and replacement of older carriers are equal as far as funding priority in my view.

ANTI-SUBMARINE WARFARE REQUIREMENTS

Question. Secretary Pyatt, the 1990 budget has one new carrier and two fewer submarines than planned last year. Isn't this a clear signal that the carriers are forcing cuts in ASW?

Answer. An examination of offsets for the two carriers clearly shows that no submarines were cut to fund the carriers. We will attain and sustain our goal of 100 nuclear attack submarines. Also, it must be recognized that two aircraft carriers with their squadrons of long range S-3 fixed wing ASW aircraft and inner zone helicopters plus command and control capabilities represent a very significant ASW asset themselves and are the focal point for aviation ASW in the surface fleet. Maintaining a 15 carrier force level will not cause a reduction in ASW capability and in fact replacing two older carriers with these two new ones will result in a significant net increase in ASW capability.

AEGIS CRUISER CAPABILITIES

QUESTION: Admiral Lyons in your statement you refer to the excellent performance of AEGIS cruisers. can you give us an evaluation of these cruisers as the compare to a DDG-2 or CG-25 class destroyer? In your estimation is there now and will there continue to be a shortage of surface combatants and in particular AEGIS cruisers in the fleet?

ANSWER: The primary advantage of the AEGIS cruiser is its capability to track and engage multiple air targets. The AEGIS system's simultaneous target track capability far exceeds that of its predecessors in the fleet because of the unique capabilities of the SYP 1 radar and MK-99 fire control system. In fact, it would take nine CG-25 Class CG's to simultaneously engage the same number of targets as a single

AEGIS cruiser. The attached table provides a comparison of an AEGIS cruiser with other surface to air missile systems presently in the fleet. AEGIS real impact is that it significantly increases the air defense capability of an entire battle group. Further, with its cruise missile capability (both Tomahawk and Harpoon), it possesses a unique surface ship and land attack capability which contributes to the overall power projection capability of the Battle group. In response to your second question right now I have three AEGIS cruisers in the Pacific, I need a minimum of one (and preferably two) AEGIS cruisers for each carrier and battleship battle group. As you can tell form the attached list, I also have a number of DDG's and CG's that were commissioned in the early 1960's. The CG 47 and DDG 51 classes of AEGIS warships that are entering service now (CG 47) and in the next few years (DDG 51 will equip the fleet with state of the art systems that will carry us into the next century. The workhorse DDG's of the Vietnam era will be retired as the DDG 51's enter the fleet. If we build the AEGIS ships now planned, we will have fewer but far more capable air defense and power projection ships for the 1990's and into the 21st century.

SHIP CLASS	NUMBER MISSILES CARRIED	TYPE LAUNCHER	MISSILE FIRE CONTROL RADARS	MISSILE RANGE	AIR SEARCH RADAR	YEAR FIRST BUILT
DDG-2	40-42 SM15MR	TWIN OR SINGLE 1 MK-11 or MK-13	2(2 w/SPG-51C)	(Deleted)	SPS-39A	1960
DDG-32	40 SM2ER	TWIN 1 MK-10	2(2 w/SPG-55B	(Deleted)	SPS-48C	1960
DDG-993	52 SM2ER	TWIN 2 MK-25	3(1 w/SPG-60) and 2 w/SPG-51D	(Deleted) (Deleted)	SPS-48C	1981
CG-16/CGN-25	80 SM2ER	TWIN 2 MK-10	4(w/4 SPG-55B)	(Deleted)	SPS48F	1962
CG-26/CGN-35	60 SM2ER	TWIN 1 MK-10	2(w/2 SPG-55B)	(Deleted)	SPS-48F	1963
CGN-36	80 SM2MR	SINGLE 2 MK-10	4(with 4 SPG 51D)	(Deleted)	SPS-48F	1974
CGN-38	80	TWIN		(Deleted)		

SURFACE COMBATANT SHORTAGE

Question: Admiral Kelso, recently there have been articles in the press which state that the Navy has a surface combatant shortage. In your estimation, is this a serious problem? Can you tell us how bad the problem is?

Answer: The number of surface combatants we buy is directly linked to the current program objective of 15 carrier battlegroups. This is based on the requisite warfighting capability to execute assigned war plans and end the war on favorable terms. The number of surface combatants in the current SCN plan reflects the proper balance of ship types and capabilities needed to support 15 carrier battlegroups. Without Congressional approval of the SCN request, I am concerned that we may not have enough ships to fully support our objectives.

Question. Secretary Pyatt, how will the fiscal year 1988 shipbuilding budget and the five year plan for shipbuilding solve the surface combatant shortage?

Answer. Our surface combatant force level goal is roughly 240 ships with about 140 battle group capable cruisers and destroyers and about 100 frigates. We are actually over our non-battle group ship goal and our five-year plan with an average of five AEGIS ships annually is building at a rate greater than the long term sustaining rate for battle group combatants so that we can meet this goal also. In the interim, we will use our frigates, with their ASW capability, to augment cruisers and destroyers, particularly in battle group ASW. Force levels are a careful balance of service life and new construction. The introduction of advanced technologies such as HARPOON, TOMAHAWK, and AEGIS has actually given a new lease on life to older ships. Typical rugged construction has allowed many ships to serve long lives of 35, 40, and more years. The technology inherent in new missiles and modern AEGIS ships will allow older ships to continue to contribute to battle group warfighting effectiveness under the AEGIS umbrella. In the past we retired ships prematurely when their combat systems declined in effectiveness. In the future, modern weapons and combat system technology will allow ships to serve a full service life until they are no longer economical to repair. For example, when DDG 2 class ships were new their anti-surface (ASU) capability was limited to their two five-inch guns with a range of about 12 miles giving the DDG 2 an ASU area of influence of about (d) square miles. Advanced HARPOON missile technology compatible with DDG 2 now makes it possible for each DDG 2 class ship to carry HARPOON missiles with a range exceeding [deleted] for an ASU area of influence exceeding [deleted] square miles! Technology has made today's "older" DDG 2 more than [deleted] better in ASU area of influence than when it was brand new! A final point is that long term stable funding is needed to avoid the cost inefficient boom and bust cycles that lead to cost growth and block aging. Long term stable funding for surface combatants averaging out to sufficient funds for five AEGIS ships annually will sustain indefinitely the surface combatant force level at our current goal.

Question. When does the Navy estimate it will reach its goal for surface combatants for the 600 ship Navy?

Answer. Given long term stable shipbuilding funds of about $11B annually in constant dollars and the technological opportunities inherent in modern missiles and combat systems that allow effective extended service life, we could achieve and sustain a 240 ship surface combatant force level in the 1990s. Building up to that force level would provide the requisite ships for battle groups, replenishment groups, and convoys as well as for the amphibious ship force which is building up to its own goal that will also be achieved in the 1990s.

FLEET PRIORITIES

QUESTION: Gentlemen, you know the Congress is faced with very difficult decisions to control government spending. We may be forced to reduce your budget request. Admiral Lyons, if you had to prioritize your requirements, which would come first, additional ships, more manpower, or other equipment such as aircraft, munitions, or spare parts?

ANSWER: The Pacific fleet's requirements are defined by the factors that I discussed previously -- by the characteristics of the Pacific Theater. By U.S. interests there, by the threat to those interests, and by the fleet's mission to deter and, that failing, defeat the threat. The budget that is before you reflects a carefully balanced program to support those requirements. As I have noted, our operations at sea have demonstrated that the "numbers of things" in that program, their design, configuration, and capabilities are appropriate in carrying out the fleet's mission in the Face of the evolving threat with, I might add, a prudent degree of risk.

A reduction in the budget request should only be made if you are willing to accept an increased risk to the defense of the United States and its interests or, alternatively, if you redefine those interests to reduce what must be defended.

In my estimation, the correlation of forces in the Pacific today are in our favor. Before any changes are made to this equation, it must be viewed in the context of what the ASEAN-Pacific rimland means to the future destiny of our country. In that context, and as I previously pointed our, all our trade indicators since 1982 are more positive in the Pacific than with our traditional trading partners in Europe. I see nothing in the foreseeable future that will change these indicators. Two thirds of the world's gross national product are in the Pacific -- by 1991 two thirds of the worlds population will border on the Pacific. It was our great ambassador to Japan Mike Manfield, who said the "next 100 years will be the century of the Pacific." I fully share that view.

Question: Admiral Kelso, considering anti-submarine warfare is your number one priority, how would you better meet this need, through additional submarines, LAMPS helicopters, more frigates, or anti-submarine warfare aircraft? As fleet commander, what if anything would you be willing to trade-off to improve your submarine warfare capabilities?

Answer: Let me answer both questions with one answer, as I feel they are intrinsically related. The Navy's plans have taken into account the future threat and system procurements and improvements needed to negate these threats, and I solicit your support of these requirements. I am in complete agreement with the Chief of Naval Operations plans and policies which are directed toward the achievement of an appropriate balance between near-term readiness and sustainability improvements and longer term force structure and modernization programs. Due to the nature of naval warfare, the trading off of one capability to enhance another can have an unforeseen and dangerous ripple effect. A balanced approach is the basis which allows us to counter all the threats present in today's multi-threat warfare environment. Our maritime strategy, based on defense in depth, requires a balanced force. While an aircraft carrier may not be thought of as an ASW asset, it has a significant ASW capability. Each of our ships, from the smallest escort to the carrier, has been designed to perform well in all warfare environments. We cannot over-emphasize one warfare area at the expense of other warfare areas.

PLANS FOR CARRIER RETIREMENTS

Question. Secretary Pyatt, last year the Navy planned to replace the Coral Sea aircraft carrier with the George Washington in the early 1990's, with the Midway remaining in the fleet until about 1999 and the Forrestal until after the year 2000. There is no requirement to start construction on another carrier until 1993 to meet this schedule. Has the Navy changed its plans, or will there be 16 deployable carriers from 1995 to 1999?

Answer. Our carrier construction program derives from a long range planning assessment of how best to avoid costly boom or bust cycles, capitalize on heel-to-toe construction of aircraft carriers at the only United States nuclear carrier construction facility, and overcome the block aging problem caused by commissioning seven carriers built at three shipyards in seven years during the late 1950s and early 1960s. Our one carrier every three years production plan with full funding beginning in 1990 combined with the 45-year carrier service life also will indefinitely sustain the 15 carrier force level. At no time do we plan to have 16 deployable carriers. GEORGE WASHINGTON (CVN 73) will replace CORAL SEA. When CVN 74 enters the fleet in 1997, MIDWAY, then at age 52 well beyond the carrier service life of 45 years, will retire. Recent experience in modifying MIDWAY for absorbing service life weight growth would indicate that assuming extending service lives beyond 45 years is not without risk. Our carrier new construction program is prudent, economical, affordable, and cost effective but not risk free in terms of keeping existing carriers in service beyond the expected 45 year carrier life. As we move into the early 2000s, most existing carriers will have to serve longer than 45 years to sustain a 15-carrier force even with a 1 carrier per 3 years production plan with full funding beginning in 1990.

Question. How would a 16th carrier be manned and equipped?

Answer. We will not have a 16th deployable carrier in our current carrier replacement program.

Question. The Forrestal aircraft carrier completed a Service Life Extension (SLEP) in 1985, extending its life until 2000. Has the Navy changed its calculation on the additional life a SLEP provides, or will the Forrestal be retired prior to its end of service life?

Answer. In our current carrier production program CVN 75 with full funding in FY 93 would enter the fleet in the year 2000, the same year FORRESTAL reaches 45 years of age. FORRESTAL will serve a full service life.

Question. Instead of retiring the FORRESTAL, is the Navy planning to retire either the INDEPENDENCE or RANGER instead of extending their life with a SLEP?

Answer. Even with a 1 carrier per 3 years production plan beginning in 1990, all existing conventionally powered carriers must serve extended lives, must undergo service life extension programs, and will serve 45 or more years on active duty before being replaced by new construction carriers.

Question. The Navy had planned to retire the MIDWAY in 1999. Has this changed? If so, why? If not, when is the CVN 74 needed to maintain 15 deployable aircraft carriers?

Answer. Recent experience in modifying MIDWAY for absorbing service life weight growth would indicate that assuming extended life beyond 45 years is not without risk. When CVN 74 enters the fleet in 1997, MIDWAY, then at age 52, well beyond the carrier service life of 45 years, can retire from active duty.

Question. How many months prior to this requirement will the CVN 74 deliver to the fleet if its current acquisition and production schedules are maintained?

Answer. MIDWAY can retire at age 52 when CVN 74 enters the fleet in 1997.

Question. Secretary Pyatt, the Congressional Budget Office states buying two carriers now will only save $900 million, not $3 billion. Can you explain the $3 billion savings?

Answer. In last year's extended planning annex there were two carriers in the out years which have been estimated to cost about $10 billion in then year dollars. In our current heel-to-toe repeat procurement strategy the cost of the two new carriers is $6.9 billion in then year dollars for a difference of about $3 billion between the then year dollar estimates. It should also be recognized that "only" $900 million is not an insignificant amount of shipbuilding funds. A $900 million savings would allow funding of 15 TAGOS ocean surveillance ships, or more than 10 MHC minehunters, or seven TAO fleet oilers. The key to sustaining the required naval force level is a stable funding profile that takes advantage of every cost saving opportunity so that whole ships can be built with savings generated by effective management plans.

MIDWAY AIRCRAFT CARRIER PROBLEMS

QUESTION: Admiral Lyons, there have been several newspaper articles here in Washington about the MIDWAY aircraft carrier. Can you tell us what is her current status, and what are you doing to fill the gap created by her problems? When do you anticipate the MIDWAY being able to perform its assigned mission? Can you tell us what is the impact on your flying hour and steaming hour requirements because of the MIDWAY's problems?

ANSWER: MIDWAY has successfully completed all phases of her workup schedule, including refresher training and Full aircraft operations. She will be ready to deploy on schedule. However, due to the unanticipated roll characteristics and elevator wetness displayed in certain wind/sea condition combinations, it was decided to correct the problem prior to a deployment to the Indian Ocean. The gap created by delaying MIDWAY's deployment will be filled by early deployment of the USS RANGER.

Prior to MIDWAY entering the shipyard in September 1987 for repairs, I plan to deploy her throughout the Southwest Pacific, where our presence has been somewhat reduced to meet other requirements. In the course of that deployment, MIDAY and her airwing will conduct a full range of exercises and training evolutions, including: Air wing carrier qualification, low level training flights, joint exercises with the Royal Australian Navy, and a goodwill port visit to Sydney. It will be followed by additional at-sea operations with the Australian Navy, and utilization of RAN weapons ranges before the ships return to Yokosuka, where I expect repairs to be completed in late january or early February of 1988.

Yes, MIDWAYS's problems required that USS RANGER, USS LONG BEACH, and USS PULLER (a frigate) be surged in order to participate in her stead in Exercise Team Spirit. The additional fuel required was approximately 65,00 barrels at a cost of $2,047,500. There was no appreciable impact on flying hours and we are reallocating fuel already in Pacific Fleet's resources to compensate.

Question. Secretary Pyatt, can you explain to the Committee what went wrong with the MIDWAY and what it will cost to repair the damage.

Answer. In an attempt to remedy naval architectural weaknesses related to aircraft elevator wetness, hull girder strength and damaged stability which have developed over the years, a blister was appended to the ship. This blister was ten feet wide and extended for about six hundred feet on the port and starboard sides of MIDWAY. Tests and engineering analysis intended to confirm the effectiveness of the blister were flawed and, although the deficiencies cited above were successfully corrected, new unanticipated problems resulted. These problems include an excessively stiff ship (high metacentric height), a shorter roll period than anticipated, and a new wetness problem at the forward end of the flight deck. Engineering design to correct these new deficiencies is well along and testing is underway to confirm that the chosen course of action will correct the problems. It is premature to establish the cost for the corrective work until the final work scope is established.

Question. Will the MIDWAY affect your planned depot maintenance program in fiscal year 1987 or 1988, and how?
Answer. Corrective work on MIDWAY is presently scheduled for early FY 88. However the Navy is currently assessing this schedule and its impact on other carrier assignments. The impact on the depot maintenance program is not fully determined, but it can be accommodated within the overall plan.

BLOCK OBSOLESCENCE

QUESTION: Admiral Lyons, in your prepared statement you refer to the need to "avoid a short term view of the budget which would add a fiscal burden on the outyears and confront us with a block obsolescence in the fleet in the future." Admiral, can you tell us which class of ships is most likely to be subject to block obsolescence? What action do you recommend to avoid future block obsolescence?

ANSWER: Our budgetary process aims to preclude block obsolescence by timely, orderly replacement and modernization of our ships. hence, our AEGIS, DDG-51, SSN-21, and AOE-6 construction programs. Of primary importance here is early, effective action with respect to our carriers. This year's request to begin preparations for the next two CVN's not only makes good business sense -- to the tune of saving the taxpayer $3 billion, but is also vital to beating the block obsolescence problem.

The only way to avoid block obsolescence is to continue to build ships over time, within a systematic fleet modernization program. Maintaining the strong 600-ship Navy that is vital to our nation's defense cannot be a stop and start process, but requires the sort of systematic approach reflected in this budget. Further, a well conceived, sustained shipbuilding program is essential if we are to maintain and sustain the minimum required shipbuilding industry and skills so essential to this country's well being.

NAVY ANTISUBMARINE WARFARE ORGANIZATION

Question. Secretary Pyatt, both Admirals Kelso and Lyons have expressed concern with Antisubmarine Warfare (ASW) efforts. When the Navy eliminated the Naval Material Command, it disestablished the ASW program office. Who is overseeing ASW programs now?
Answer. The Director, Naval Warfare (OP-095) is charged by the Chief of Naval Operations to direct the overall course of the Navy to counter the submarine threat. As OP-095, Vice Admiral Hogg is the ASW Warfare Task Sponsor, responsible for coordinating the development of ASW requirements, monitoring attainment of these requirements, and recommending program

priorities based on ASW warfighting needs. The Commander, Space and Naval Warfare Systems Command, Vice Admiral Clark, provides centralized management of the Advanced ASW Development Program which will provide the necessary architecture/capabilities to maintain ASW superiority in the face of the increased threat.

NAVY ANTI-SUBMARINE WARFARE ORGANIZATION

Question: Admiral Kelso, what contact do you have with the Chief of Naval Operations personnel who are charged with ASW policy, and recommending funding for these programs?

Answer: I am in communication with the Chief of Naval Operations concerning all areas of policy affecting my command. My subordinates, and staff, are in daily communications with policy making personnel on CNO's staff. I further communicate my concerns and desires over all warfare areas to the CNO via an annual Command Situation Report, that is updated semi-annually, where I prioritize my concerns.

Question: In your estimation is the Navy's emphasis on ASW adequate?

Answer: The Navy has made great strides in increasing emphasis on ASW. Fundamental concern for the relative margin of U.S. ASW capability against Soviet submarine forces led the CNO to initiate a major study of the U.S. Navy Maritime Strategy and associated ASW warfighting and concluded that substantial operational improvements are required in major ASW weapon and sensor systems to execute the maritime strategy successfully against the projected Soviet submarine force. The major thrust of these improvements are: surveillance and C3 improvements to increase the rate of engagement and provide maximum effective use of allied forces; submarine weapon and sensor improvements to provide "quick kill" when engagements are effected, and Battle Force sensor and information handling/coordination improvements to increase self-protection against the advanced quiet threat. Key to implementing the development of the systems initiatives identified by the ASW Master Strategy Study is the need for a focused approach to ASW systems development. This focus must apply to the continued development of currently planned systems as well as to the undertaking of new initiatives. Special attention and coordinated planning are essential to reduce risk and achieve a balanced, affordable program.

VERTICAL LAUNCH SYSTEM RETROFIT

Question. Secretary Pyatt, I understand the Vertical Launch system retrofit on DD 963 class destroyers has slipped badly. Can you tell us what has caused the delays and when you anticipate completion of the program.

Answer. Vertical Launcing System (VLS) production is on schedule. The Navy made a conscious decision to extend the periods between Regular Overhauls (ROH's) of SPRUANCE class destroyers. This moved the entire ROH work package, including VLS, out in time. The completion of VLS backfits in SPRUANCE class destroyers is scheduled for 1992.

Question: Admiral Kelso, what is the effect of the delays in the VLS retrofit program on your capability? What priority would you assign to speeding up VLS installation on DD-963 class destroyers?

Answer: The Vertical Launch System (VLS) itself has not suffered prolonged delays, but more accurately a sub-system or component of the VLS--namely the Vertical Launch ASROC (VLA) has been beset by program delays. The VLS for the DD-963 class destroyer integrates several weapons into one launcher system--TOMAHAWK variants (TLAM-N, TASM, TLAM-C/D) and the Vertical Launch ASROC (VLA). When the VLS is installed on the ship, the ASROC box launcher is removed. Therefore, the Vertical Launch System without the VLA leaves the platform without a ship-launched stand-off ASW weapon, although the LAMPS helicopter still provides standoff capability. Since the 963 class destroyer is one of our premier ASW ships, lack of this capability is viewed with concern. I would assign a high priority to the seeking a near term solution to this deficiency.

QUESTION: Secretary Pyatt I understand the Vertical Launch system retrofit on DD-963 class destroyers has slipped badly. Admiral Lyons, do you have any views on this matter? Do you recommend accelerating VLS installation on DD-963 class destroyers?

ANSWER: The VLS retrofit schedule has been balanced with missile procurement rates. I need both 963 VLS and the weapons to Fire from those VLS launchers. The Navy program procures both in an efficient, economical manner. Acceleration is not recommended.

AMPHIBIOUS ASSAULT (LHD 1) CLASS SHIPS

Question. Mr. Secretary, last year the Navy awarded a contract for the second LHD 1 class Amphibious Assault Ship at substantial savings from previous estimates. Can you tell the Committee how that ship is progressing?

Answer. At this time the shipbuilder is focusing his efforts on updating all drawings and other documentation, material ordering planning, and detailed production planning prior to beginning industrial work. This is consistent with his proposed schedule and should make for a more efficient production effort. Actual start of construction is scheduled for October 1988.

Question. Do you estimate the ship can be built within the current contract target price?

Answer. The contractor bid a very competitive price which will be difficult to achieve; however, if the contractor achieves the business base, material prices, the production efficiencies and the overhead rates upon which he predicated his bid, then the ship could be built for the bid price. However, based on realistic expectations of the contractor's ability to achieve all of those projections, the Navy has budgeted the potential contractual government liability. This additional liability still results in the lowest cost of the highly competitive proposals.

QUESTION: Mr. Secretary last year the Navy awarded a contract for the second LHD-1 class Amphibious Assault Ship at substantial savings from previous estimates. Admiral Lyons, you state that a small deck carrier can not perform the mission required for an aircraft carrier. How do you view the LHD-1 Amphibious Assault Ship? Do you envision a day when VSTOL aircraft launched from a small deck carrier will be able to perform the role that is currently met by large deck nuclear carriers?

ANSWER: LHD-1 class ships are being designed to lift the Aviation Combat Element (ACF), portions of the Ground Combat Element (GCE), and the Command and Control Element of Marine Air-Ground Task Forces (MAGTFs). Their primary Function will be to provide amphibious lift to the MAGTF. While LHD-1 class ships will be more capable than existing LPH and LHA Amphibious Assault Ship, they are not a substitute for large deck carriers. The LHD will have neither the considerable command and control capabilities nor the electronic warfare sophistication inherent to CV/CVN's. Further, the only fixed wing aircraft capable of operating form the LHD will be the Marine Corps AV-8B Harrier. The Harrier was not designed for anti-air warfare and war at sea roles, although we have demonstrated that the AV-8 has limited capability in contingencies for a close in defense role against leakers. It is a light attack, subsonic, VSTOL aircraft capable of close air support operations from relatively unimproved, forward sites. Hence, though we are well pleased by the performance of the AV-8B in its intended role as a light attack aircraft, dedicated to close air support, it would be tactically unsound to employ it in an AAW role, for which it is neither designed or equipped. The LHD's austere air command and control capabilities would further contribute to the disadvantages under which the Harrier would operate. Given these circumstances, the LHD with embarked AV-8B's will only be capable of short duration and limited emergency defense of the Amphibious Tack Force.

The LHD will be a welcome addition to our amphibious capability. Its ability to provide strategic lift to MAGTF's will enhance power projection forces and provide the National Command Authority with more flexible, versatile options in crisis response. In shore, it will be a highly capable amphibious assault platform--but not even remotely capable of supplanting a large deck carrier.

AIR-CUSHIONED LANDING CRAFT (LCAC)

Question. Mr. Secretary, I understand the Air Cushioned Landing Craft (LCAC) has recently undergone testing in California. Can you tell us how it performed?

Answer. The LCAC completed development testing at Assault Craft Unit Five (ACU5) at Camp Pendleton, California, on 20 February. The craft performed exceptionally well and successfully completed all aspects of the test program. These tests included loading four LCAC's (a full load) into the well deck of USS GERMANTOWN and two LCAC's conducting forty simulated assault sorties over an eight day period. The craft reliability and availability exceeded requirements. The results are currently being reviewed in order to certify the LCAC ready for operational testing which is scheduled to commence 7 April.

Question. Would you recommend accelerating this program based on these recent results?

Answer. I cannot recommend an acceleration or change in the program at this time. We need the operational test results to fully confirm our belief in the craft reliability. We currently have a Request for Proposal out to industry for award of the remaining authorized unawarded craft. This RFP permits a contract award in July 1987 provided the LCAC has successfully completed operational testing and approval for full production can be granted.

Question. This program slipped in 1986 and is likely to cause a production break. What is the estimated cost associated with this production break and can it be avoided?

Answer. There has been a negative impact on the production schedule for LCAC because of delays due to our early technical problems which are now resolved. this impact has been minimized as much as possible. The cost of this production schedule slippage for the remaining unawarded FY 85 and 86 craft has been estimated at $9.6 million. This production gap has already occurred and no significant relief can be achieved until full production approval is granted (currently estimated to occur in July 1987).

SHIP MAINTENANCE AND MODERNIZATION

Question. Secretary Pyatt, the Navy ship maintenance and modernization budget declines by $1 billion in 1988. What portion of this reduction is attributable to management efficiencies, schedule changes, and how much is due to slipping requirements into future years?

Answer. $500 million of the 1 billion dollar reduction in ship maintenance and modernization is attributable to management efficiencies. The remaining decrease is due to changes in ship maintenance strategy, the mix of ships to be overhauled and the reduction in the number of overhauls in FY 88 (34) as compared to FY 87 (41).

The current ship maintenance strategy with extended overhaul cycles places more emphasis on shorter and more frequent depot level maintenance periods which are less costly than overhauls.

Question. Secretary Pyatt, Secretary Lehman has emphasized that competition between public and private shipyards has saved money by forcing efficiencies in shipyards. Why has the Navy proposed deleting competition language in the 1988 budget request?

Answer. The Navy has not proposed deleting competition language in the 1988 budget request. The Navy would in fact strongly oppose deleting existing competition language.

Question. If this language is not included in the 1988 Defense Appropriations Act won't this eliminate competition and the related budget savings?

Answer. Deleting competition language would require the Navy to follow OMB Circular A-76 in future public/private competitions. Using this cumbersome time consuming method would in effect eliminate the public/private competition program and the related savings.

QUESTION: Given current state of private repair in maintenance industry, aren't we maintaining an inefficient depot installation structure?

ANSWER: No. It cannot be assumed that the depot macro-structure is inefficient just because individual depots are decreasing in size. Most of the recognized productivity leaders in the private sector now recognize that smaller operations are much more effective and productive when compared to the centralized monoliths that were being developed during the last decade. Evidence within the Navy organic structure now points to improved management effectiveness in smaller industrial activities. Naval Aviation Depot Cherry Point, historically the smallest Navy depot, has consistently proven superior in all management effectiveness evaluations and production efficiency.

The business principles which drive the operation of Navy Industrial funded activities (depots) provide the controls and flexibility needed to allow a facility to increase and decrease in size in an economic manner. The change in depot workload should not be gauged against a measure of constant capacity. As a depot decreases in size, generated excess capacity (represented by all resources) is eliminated by management action. Excess resources are re-allocated, redistributed, attrited, and disposed of so that they are not an economic burden on the depot operation. Production control and indirect are then re-optimized for continuing efficient operation.

Careful consideration is given to real property before disposition is determined as unutilized capacity. Facility expansion is required in a national emergency, and long lead times are associated with facility reactivation and construction. High risk could be incurred in meeting mission requirements due to constrained facility capacity.

NAVY DEPOT MAINTENANCE BASE

QUESTION. What would be the impact of closing one shipyard and one naval aviation depot?

ANSWER. Currently, all organic depots have primary and unique functions which require specialization to become effective and economic. Workload has been distributed among the depots based on their available technologies, resident expertise, capacity utilization, mobilization requirements and ability to perform economically.

The naval aviation depots are currently loaded to near capacity. the closure of one of the facilities would require that the same capacity be created at one of the remaining five sites. Significant one-time and recurring costs would be incurred. Costs that can be quantified are additional military construction funds, transfer of equipment and personnel processing. The attendant productivity loss would be unacceptable. Approximately eight years are required to position a military construction project in the budget and complete construction. During this period, disruptions to fleet support and readiness degradation would be caused by periods of transitioning logistics support for front line, mission essential weapons systems. The closure of one depot facility creates a domino effect type impact on all of the integrated logistics support elements in the area, such as intermediate level activities and supply centers.

Extensive cost analysis conducted during past studies have been averaged to reflect a notional depot. Analysis shows that a cost payback period of 10.2 years can be expected when comparing one time costs versus recurring costs/savings.

Based on present requirements to provide the capability to perform industrial work on the full spectrum of naval ships including nuclear/non-nuclear aircraft carriers, submarines and complex surface combatants it is not possible to eliminate one naval shipyard without adjusting the requirement. The Chief of Naval Operations has initiated a study to analyze the naval shipyard industrial base to provide a current assessment of the requirements for and capabilities of naval shipyards. The results of this study will be used in future planning with respect to these shipyards.

SHIP INTERMEDIATE MAINTENANCE FACILITIES

Question. What type of maintenance work do the ship intermediate maintenance facilities perform that is not performed by Navy or private shipyards?

Answer. Intermediate Maintenance Activities (IMAs) are manned by military personnel. Destroyer and submarine tenders perform urgent repairs to ships and submarines in forward deployed areas such as Diego Garcia, the Western Pacific, Guam, the Mediterranean and in Northern Europe. Shore IMAs (SIMA) perform urgent repair work for CONUS ships between overhauls in shipyards. They also provide professional skill enhancing training and shore duty assignments for military personnel.

Question. Why are these activities not funded through the Navy Industrial Fund?

Answer. The IMAs are manned almost exclusively by military personnel whose salaries are paid through the military pay accounts. Repair material is provided through O&MN accounts fenced for this purpose. Aviation Intermediate Maintenance Activity Detachments (AIMDs) perform similar maintenance functions for aircraft and have a similar funding structure.

TRIDENT COMPETITION

Question. Secretary Pyatt, does the Navy still plan to compete the TRIDENT submarine acquisition in fiscal year 1988? If so, what savings are assumed in the budget as a result of competition?

Answer. The Navy has allocated to Post Shakedown Availability of the NEVADA to Newport News to afford them the opportunity to become familiar with the TRIDENT first hand. We continue to plan for competition in FY 88. Recognizing that only two shipyards will be able to compete, we have conservatively estimated the FY 88 TRIDENT program will cost $1344 million compared to $1537 million in FY 87 which was a sole source award to General Dynamics' Electric Boat. The lower cost is attributed to the maturity of the program, reduced risk, increased learning and the pressure of competitive pricing.

AIRCRAFT CARRIER SERVICE LIFE EXTENSION

QUESTION: Last year the Navy estimated the cost of the service life extension for the next carrier would cost $796 million. The estimate is now $947.5 million. What has caused this increase?

ANSWER: The $151.5 million increase over last year consists of $116 million to protect the magazines from missile attack and possible detonation. The KITTY HAWK will be the first SLEP ship to receive this installation which is based on the technology developed for the CVN-68 class carriers.

There is a $5.7 million increase for hardware to support the Tactical Flag Command Center (TFCC) that was originally programmed for Other Procurement Navy (OPN). In addition, there was a $25.9 million increase for the new Federal retirement system.

The final increase of $27.9 million is for "complete ship." Based on Board of Inspection and Survey (INSURV) findings on previous SLEP ships, there is a considerable amount of deferred work assigned to ship's force during CV-SLEP. Due to limited capacity as a result of reduced crewing during SLEP, ventilation systems, hull insulation, electrical system repairs (relamping, redistribution of service loads, etc.) and habitability work are deferred. The "complete ship" concept funds the shipyard to accomplish these type items that are beyond the capacity of ship's force.

Decreases to the above included $4.2 million in GFE savings and $19.8 million for inflation adjustments.

AIRCRAFT CARRIER SERVICE LIFE EXTENSION

QUESTION: Please explain any new scope work, why it will occur and what is causing the new requirement?

ANSWER: The major increase, $116 million, is to install the (deleted) protection system. This system is designed to protect (deleted). This ship is the first CV-SLEP aircraft carrier to receive this protection system. (Deleted).

The $5.7 million increase is for hardware to support the Task Force Command Center (TFCC) material buys that were originally planned for Other Procurement Navy (OPN). The TFCC installation costs are already included in the CV-SLEP program.

The $27.9 million for "complete ship" is based on the Board of Inspection and Survey (INSURV) findings on previous SLEP ships. This effort is to eliminate deferred work assigned to ship's force during SLEP. Due to limited capacity as a result of reduced crewing during SLEP, ventilation systems, hull insulation, electrical system repairs (relamping, redistribution of service loads, etc.) and habitability work are deferred. The "complete ship" concept funds the shipyard to accomplish items beyond the capacity of ship's force.

QUESTION: Considering the Navy's plans to accelerate procurement of two nuclear aircraft carriers by several years, wouldn't it be logical to dispense with a SLEP on the KITTY HAWK and retire it when it reaches 30 years of age?

ANSWER: The CV SLEP program was conceived and developed in the late 1970s, to extend the service life of FORRESTAL/KITTY HAWK class carriers an additional 15 years. Because seven carriers were built and commissioned by three different builders over a seven year period in the late 1950s, the CV SLEP program became an integral part, along with new construction, of maintaining the necessary 15 deployable aircraft carrier force level. The SLEP program however, only delayed the inevitable, the block retirement of carrier platforms. If the Congress decides to approve the Department's proposed aircraft carrier replacement program, whereby funding for one carrier is authorized and appropriated every three years, then the need for a SLEP program beyond the KITTY HAWK and CONSTELLATION would have to be reevaluated. Such a reevaluation would be conducted in a manner similiar to that in which the Department of Defense's requirements are annually scrutinized, and adjusted, to allow for the incorporation of such things as Congressional decisions and other recent experiences, or 'fact of life' occurrences, which impact program requirements.

As for dispensing with or cancelling the FY 1988 SLEP, due to the lengthy building period required for construction of an aircraft carrier, cancellation of the SLEP program today, for KITTY HAWK, would not allow for her continued service into the early 2000 timeframe. Without a SLEP the KITTY HAWK would reach retirement age in the early 1990s, well before any of the proposed new carriers would be availabe as deployable fleet assets. The KITTY HAWK and CONSTELLATION SLEPs, in conjunction with the carrier replacement program, will allow for the orderly retirement of the FORRESTAL class while providing replacement platforms at the least cost to the taxpayers.

QUESTION: Please explain why the CV SLEP in FY 88 is a Class "D" estimate and what this means in terms of ability to project the cost of the ship.

ANSWER: The cost estimate for USS KITTY HAWK (CV63) SLEP in FY 88 is considered a Class "D" estimate due to several "open and inspect" items such as Main Reduction Gear, HP and LP turbines which require disassembly and closer inspection after the ship arrives in Philadelphia to more accurately assess the magnitude and cost of necessary repairs. Although inspection of some equipment cannot be completed until after SLEP starts, based upon previous ships in SLEP, we now have a very good idea of what repairs are required and have established reservations for these expected repairs. We consider there is some risk associated with these open and inspect items; however, we do not think that the overall impact on the cost estimate will be significant.

Because of the degree of uncertainty associated with all conversions, a general rule for SCN is that all conversions are classified as Class "D" estimates, vice Class "C" for new construction efforts

SUPPORT SHIPS

Question. Last year the Navy planned to procure a new ammunition ship in 1988. Why has this been delayed?

Answer. We provide operational support ship capabilities our combat forces need by concentrating on the most versatile and overall cost effective ships. For example, the multi-product AOE is a much more versatile and useful ship for wartime missions than the single-product AE. Also, the AOE is significantly less costly on a cost per ton of cargo basis than an AE. As we look to future level funded shipbuilding budgets, we will concentrate on multi-product and multi-mission ships while high cost, limited utility, single mission ships will have lower peacetime production priority than multi-mission ships. Single product ships can be brought on line through mobilization production programs more rapidly than multi-product ships to fill out mobilization force levels, so peacetime production must emphasize multi-product ships.

Last year we proposed an ammunition variant for the AO 177 Jumbo program that would have converted these single product ships into multi-product ships capable of both fuel and ammunition replenishment of the combat forces. For about two tenths of one per cent of last year's SCN appropriation we could have had an additional multi-product ship in the fleet. Converting these oilers to multi-product ships would distribute ammunition supplies over more ships and thereby enhance the survivability of ammunition delivery against wartime threats.

Question. When will this ship deliver and how will the Navy meet its needs for ammunition resupply until then.

Answer. If the AE is funded in FY 91 as in our current five year shipbuilding plan, we would expect it to be delivered in 1995. Ammunition resupply would be accomplished by ships now in the fleet and those multi-product ships that are delivered before then.

Question. Please explain the Navy's plans to meet its resupply requirements for the 600 ship Navy given the current ships that the Navy has to perform this mission?

Answer. We will meet our fuel and ammunition resupply requirements for the 600 ship Navy with: (1) the ships now in the fleet; (2) those new construction ships now under contract that will enter the fleet (including the multi-product AOE 6 class ships and the low cost TAO 187 oiler series production program); (3) prospective future low cost conversions of single product ships to multi-product ships; and (4) prospective future new construction ships in the budget and out years of our shipbuilding plan.

NAVY MUNITIONS

Question: Admiral Kelso, in your statement you note the need to continue to build-up smart weapons. Are yousatisfied the Navy is putting enough emphasis on sustainability of munitions?

Answer: The FY 1988 and 1989 President's budget continues to improve sustainability. Sustainability in terms of support for our major OPLAN, for Level of Effort munitions, has improved from a low of 27% in FY81 to a projected high of 87% and from 24% to 69% for the more sophisticated threat weapons. Continued budgetary support is vital to ensure CINCLANTFLT attains required capability in the outyears.

Question: The Navy request for munitions is declining in the fiscal year 1988 budget, aren't you concerned that other items such as purchase of aircraft carriers are causing the Navy to cut back on its munitions purchases?

Answer: Sustainability in support of CINCLANTFLT general war plan has increased significantly since 1981 and continues to improve through the FY88 budgeted delivery period (FY92). Thus the new ship programs and sustainability/readiness programs are achieving a needed balance.

Question: Admiral Kelso, what is your assessment of the utility of the 5-inch Guided projectile?

Answer: A 5-inch Guided Projectile, in particular the SAL GP (Semi-Active Laser Guided Projectile) "Deadeye", has the potential as a force multiplier for our surface combatants. This round increases effective gun range **[deleted]** improves gun accuracy throughout the gun range, increases first round hit probability, and reduces the number of rounds needed to destroy a target. During TECHEVAL/OPEVAL, this weapon achieved about 80% first round hits. This weapon is not designed to compete with our surface to surface missiles, but rather to compliment them. The lower cost projectile would be used on shorter range targets, thereby conserving the less plentiful HARPOON and TOMAHAWK missiles for longer range targets.

NAVY MUNITIONS

Question. Secretary Pyatt, can you explain why, when your budget is increasing, your are cutting back on munitions procurement?

Answer. The Fiscal Year 1988 budget proposal shows an overall increase in weapon procurements planned in the WPN account, while a decrease in weapon procurements planned in the OPN account. OPN reductions were based on an overall balancing of needs and resources, and reflect the phasing out of older weapons (e.g., 3"50 gun ammunition) and the deletion of funding for SALGP ("Deadeye"). The SALGP program is currently being reviewed in light of congressional interest. Proposed munitions levels are judged to be adequate to support both peacetime training and combat sustainability.

QUESTION: Admiral Lyons, what is your assessment of the utility of the 5 inch guided projectile?

ANSWER: The utility of 5" semi-active laser-guided projectiles (SALGP) on the modern smoke and countermeasures-filled battlefield is problematical.

Laser detectors would limit the usefulness of the spotter, who must hold the laser on target for a substantial period of time.

Army, USMC cannon launched SALGP "Copperhead" is available where required, as are air-launched weapons.

Though SALGP might be useful on occasion, it is not a critical requirement and it is simply not affordable.

When the program was cancelled, cost per bullet was running between 75 and 100 thousand dollars in lots of 3,000, with a best cost projection of $35,000 per bullet somewhere in the future. In the list of priorities in a tight fiscal budget, we simply can not afford this system.

We can buy a lot of very capable regular 5 inch rounds for that cost ($118.283 per 5"/54 projectile). It does not presently appear that the 5-inch guided projectile will be a viable addition to our weapons systems.

SONOBUOY PROCUREMENT

Question. Secretary Pyatt, the Navy's request for sonobuoys is 40 percent lower than the amount approved in fiscal year 1987. What impact will this reduction have on anti-submarine warfare?

Answer. The 40% reduction in the FY 88 budget for sonobuoy procurement is not expected to impact ASW. The budgets in FY 86/87 were necessary to reach required inventory level. Inventory level having been met, FY 88 procurement is in line with expenditure rates.

Question: Admiral Kelso, noting that your number one priority is anti-submarine warfare, what are your views on the Navy's budget request in this area?

Answer: The sustainability in sonobuoys has increased from approximately 30% in FY81 to 64% for our major OPLAN through the POM 88 funded delivery period (FY92). Additionally, rapid delivery of the Low Cost Sonobuoy (initial procurement in 1986) projects filling 50% of this requirement if the FY 1988 budget request receives your support.

Question: Admiral Kelso, what percentage of the required number of sonobuoys do you deploy with? How many days of operational activity is that? How does this compare to previous years? Provide the answer for 1984, 1985, 1986 and current inventory.

Answer: Every ship deploys with its full allowance of sonobuoys, 100%. Additionally, we have prepositioned sonobuoys outside the Continental United States as resupply to our operating forces. Days of operational activity depends on the total inventory; not just those positioned aboard ships. Since sonobuoys are non-explosive, they can be easily airlifted in theater. We have always provided deployers with a full allowance to the detriment of those remaining in homeports. Sustainability relative to our major OPLAN for the years requested are:

1984	1985	1986	CURRENT
23%	21%	44%	60%

QUESTION: Admirals Kelso and Lyons, what percentage of the required number of sonobuoys do you deploy with? How many days of operational activity is that? How does this compare to previous years. Provide the answer for 1984, 1985, 1986, and current inventory.

ANSWER: (C) A battle group deploys with [deleted] sonobuoys of various types (Quantities and types at discretion of the Battle Group Commander, but totals limited by space availability). CLF shops provide the additional numbers. A stock of (d) sonobuoys (on CV and ASW combatants) would last [deleted] depending upon intensity of operations. Resupply is provided from CLF ships and forward bases.

- Battle groups currently deploy with full capacity (combatants and support ships).

- These numbers haven't changed significantly for several years --i.e., we had full sonobuoy stocks in 1984-1986.

[Deleted].

The Fleet's request for sonobuoys has not significantly changed over the past few years [deleted].

AIRCRAFT CARRIER ADVANCE PROCUREMENT

QUESTION: The FY 89 budget includes $620 million for contractor furnished material. Budget justification notes purchase of two ship sets but funding is not split equally. Please explain the apparent discrepancy. $177 million is requested for GFE. Describe the details of the planned EOQ from other ship programs and other appropriations. Explain why the purchase for the 1993 carrier could not be purchased in a later lot with similar procurements for other ship programs. List and discuss the savings of the planned earlier purchase.

ANSWER: The following breaks down the current plan for the money requested in the FY 89 budget:

- FY 90 Ship
  Total FY 89 Request: $597 million
    - Contractor Furnished Material: $508.5 million
    - Government Furnished Equipment: $ 88.5 million
- FY 93 Ship
  Total FY 89 Request: $200 million
    - Contractor Furnished Material: $111.5 million
    - Government Furnished Equipment: $ 89.5 million

The primary purpose of the advance funding for the contractor furnished material is to minimize the production break between delivery of CVN-73 in December 1991 and the planned delivery of CVN-74 in November 1995. The most cost effective break is 24-30 months between deliveries. Beyond that point costs increase dramatically due to restarting the production line and productivity losses. The proposed budget serves to mitigate those costs and results in the most cost effective construction program.

The Government furnished equipment is being programmed for purchase in the most cost effective manner. Each major equipment manager was asked to indicate in which year during the period FY 89-93 there existed the greatest volume of purchase activity for a given piece of hardware. They were also asked to provide unit pricing for what was planned and how that would change if two shipsets of CVN equipment were added to the purchase. Based on this feedback, we have programmed the money for GFE in the years these data indicate the CVN program and a number of other programs derive the greatest benefit. The following hardware is planned for FY 89:

- NATO SEA SPARROW	To be bought with units for CV-64 SLEP, AOE-8 and LHD-4
- MK 23 TAS Radar	Combined with 4 SCN and 7 OPN units
- Rotary Retract Engines	Combined with CV-64 SLEP
- Arresting Gear Engines	Combined with CV-64 SLEP
- CIWS	Combined with CV-64 SLEP, LSD, CG, DDG, LHD and AOE
- SPS-49 Radar	Combined with OPN, CG, LHD and LSD
- ASWM	Final multiship buy
- SPS-48E Radar	Combined with CV-64 SLEP and 7 OPN sets

LSD CARGO VARIANT

Question. Please explain the $39.5 million increase in the LSD CV program for additional drawings and stability corrections. Discuss any anticipated stability problems in detail.

Answer. The $39.5 million increase represents the required funding to support the LSD (CV) program based on current design requirements. The estimated detailed design costs results from the design changes from the LSD 41 class to support the increase in vehicle and cargo carrying capacity and to maintain adequate ship stability for the LSD (CV). Recurring cost for stability correction includes addition of ballast and weight reduction measures such as the use of lighter weight construction material. Other recurring cost increases result from added structure, equipment for the expanded mission, added weight margin and loss of shipbuilding learning due to changes from the LSD 41 design. The contract design is nearing completion and the RFP should be ready in September 1987. The present ship design for LSD Cargo Variant incorporates the necessary corrective measures and has had no stability problem identified to date.

AOE SCHEDULE CHANGE

Question. The third AOE was scheduled to be procured in 1990. It is now to be bought in 1991. Was this delay caused by the addition of an aircraft carrier in the 1990 budget?

Answer. Aircraft carrier funding did not affect the AOE program. The third AOE had moved to FY 91 earlier in the budget preparation process before carrier funding adjustments were made.

Question. Please explain the effect on the cost of the ship and any changes in the acquisition strategy of the ship.

Answer. We currently have option prices from the lead AOE shipbuilder for the second, third, and fourth AOE ships. We expect the lead shipbuilder to perform well on this contract and we would expect to exercise the options as future appropriations permit. Shifting the third AOE to FY 91 may have a minimal effect on the option prices which we would renegotiate with the lead shipbuilder. If the renegotiations did not result in prices favorable to the taxpayers at large, we would always have the alternative of recompeting follow ship production, but we do not expect this to be the case.

AIRCRAFT PROGRAMS

QUESTION: Mr. Secretary, recently several aircraft types have been grounded. Could you tell us what the current status is on the E-2C, A-6 and the CH/MH-53E aircraft inventory?

ANSWER: There are (deleted) aircraft in the E-2C inventory, (deleted). There are (deleted) A-6 aircraft in the inventory, (deleted). There are (deleted) aircraft in the CH/MH-53A inventory, (deleted).

QUESTION: How many of these are currently grounded and what is the effect on the flying hour requirement for these for fiscal years 1987 and 1988?

ANSWER: Each of the(d)grounded E-2Cs will require wing repairs which will remove each aircraft from service for approximately 4 months. (d) E-2Cs are restricted from carrier operations because of wing problems, and an [deleted]. are restricted from carrier operations due to fuselage upper longeron cracks which are under repair. No in-service fleet E-2Cs are expected to be grounded or restricted after July, 1989.

Out of the total of 59 grounded A-6s, 46 are awaiting new composite wings. Thirteen others are grounded, whose wing life approximates the expended fatigue life of the A-6 involved in the NAF El Centro accident, in which an inner wing fatigue crack was identified.

During mid-February, all (d) CH/MH-53E aircraft were grounded until the main rotor transmission bull gears were inspected. By April 3rd, (d) aircraft were back in flight status. Replacement bull gears are shipped from Sikorsky as soon as they become available. Gears removed from grounded aircraft are inspected and tested, and are returned to service unless they are found to have defects.

QUESTION: The Fiscal Year 1988 aircraft modification program sharply reduced the A-6 rewing program. Can you explain why this occurred and what is the effect of these reductions?

ANSWER: In structuring the FY 1988 request, it was necessary to reduce the level of the aircraft modification program, including the A-6 rewing program, in order to remain within anticipated fiscal constraints. Subsequent to the submission of the budget request, further A-6 wing fatigue problems have materialized, and the Navy is now developing a plan to increase the level of program funding to permit procurement of A-6 wings according to the original schedule of 72 wing sets per year.

AIRCRAFT PROGRAMS

QUESTION: What is the Navy planning to do, if anything, to accelerate this program?

ANSWER: The Navy plans to fully fund the A-6E rewing program at 72 wings per year (both production and retrofit). After a review of possible production rate increases, it has been determined that the current production rate of 72 wings per year is in full consonance with the Navy's ability to remove A-6E aircraft from service for the rewing/block upgrade.

600 SHIP NAVY SUSTAINABILITY

QUESTION: Mr. Pyatt, it is clear the Navy will achieve a 600 ship Navy. What is unclear is whether the mix of ships will meet the Navy's needs. Can you tell us, in the first year there is a 600 ship Navy, what will be the shortage of surface combatants, amphibious ships and support ships?

ANSWER: We will reach the 600-ship level in FY-89. Most of the essential elements of the 600-ship Fleet will be on line by FY-90. The fourth battleship will join the Fleet in FY-88 and the 100th SSN will be delivered in FY-89. We will have 15 deployable carriers in FY-90 when USS ABRAHAM LINCOLN (CVN 72) joins the Fleet. Under current plans, we will achieve our amphibious lift requirement by 1996. Some shortfalls [deleted] will remain. Our present plans include funding for the last of 27 CG 47 class cruisers in FY-90. Then we intend to increase production of DDG 51 class destroyers to five in FY-91 and six in FY-92. In the meantime, we are improving the capabilities of our existing ships under the umbrella of our Warfighting Improvement Plan (WIP) which will upgrade selected CG/CGN/DDGs with the New Threat Upgrade AAW system.

QUESTION. By type of ship, how many years will it require before the requisite number of ships will be in the fleet?

ANSWER. By FY 1990, we will have 15 deployable carriers, four battleships, 100 nuclear attack submarines and most of our required combat logistic and support ships. [Deleted]. [deleted] Some shortfalls may continue to exist after 1996. These will be addressed during the formulation of the next budget.

ATTACK SUBMARINES

Question. Mr. Secretary, recent reports indicate problems with the introduction of the BSY-1 sonar system into submarines. In your statement you note some problem. What is the impact on the delivery schedule of the affected SSN's?

Answer. Five SSN's at Electric Boat are affected by the problems associated with drawings related to the AN/BSY-1 Combat System, arctic capability and other advancements. The resultant delays currently projected by Electric Boat are as follows:

	Contract Delivery Date	Initial Shipbuilder Delivery Date	Revised Shipbuilder Delivery Date	Delay in Months
SSN 751	6-88	11-14-87	06-11-88	7*
SSN 752	11-88	03-31-88	10-15-88	6 1/2*
SSN 754	07-30-88	07-30-88	02-18-89	6 1/2
SSN 755	12-10-88	12-10-88	06-24-89	6 1/2
SSN 757	06-28-89	06-28-89	10-29-89	4

*These revised delivery dates do not result in any delay past Contract Delivery date.

Question. How will this delay impact the stated requirements for outfitting and post delivery in the President's budget request?

Answer. This delay will reduce the requirement for outfitting and post delivery in FY 88 and increase the FY 89 requirement by a like amount. Specifically $5.9M in outfitting and $7.0M in post delivery should be deferred from FY 88 to FY 89.

Question. Has this problem had an effect on the development and schedule of the SSN 21 new design attack submarine?

Answer. There has been no impact related to the AN/BSY(1) on the development and schedule of the SSN 21.

ASW CAPABILITIES

QUESTION: Admiral Lyons: (1) Have the ASW capabilities and the techniques used against the new Soviet submarines by the U.S. Pacific Fleet been shared with the U.S. Atlantic Fleet? (2) Do these U.S. capabilities and techniques demonstrated by today's very modern U.S. ASW platforms-aircraft, submarines, surface ships-mean that the pace of the SSN-21 program might be adjusted to address some of the fiscal constraints driven by the budget deficits?

ANSWER: (1) (S) The SAW capabilities and techniques utilized in the Pacific Fleet (deleted). (2) (Deleted). The SSN-21 program includes system enhancements that are designed to maintain the U.S. acoustic advantage against the Soviet new generation submarine. (Deleted) the SSN-21 is crucial and should not be delayed.

Question: Admiral Kelso, Please identify for the record those specific capabilities embodied in the SSN-21 which are intended to restore the 10 year U.S. lead over the Soviets in ASW technology, as compared with the 3-5 year lead you say exists today?

Answer: SSN-21 development incorporates the most recent technology advancements in performance, reliability, maintainability, and producibility of Hull, Mechanical and Electrical Systems. It involves development of a wide range of subsystems and improvements, including combat systems, sensors, firepower, auxiliary systems, propulsors, advanced ship control, machinery performance, deep components, silencing, and survivability.

SUMMARY OF CHARACTERISTICS

Displacement	9070 Tons
Test Depth:	
HY-100 Steel	(Deleted)
HY-130 Steel	(Deleted)
Radiated Noise:	(Deleted)
Shaft Horsepower	45,000
Speed	(Deleted)
Large Diameter Tubes	(Deleted)
Weapon Reloads	(Deleted)
Combat System	Advanced sonar array compatibility SSN 21 combat system Low frequency Conformal bow array Wide aperture array High speed towed array Long range thin line array

Question. Secretary Pyatt, please identify by program element number and dollar amounts those particular programs in the FY 88 and FY 89 budget requests -- within and outside the SSN 21 program -- which are associated with developing and deploying these capabilities in the SSN 21, and in other U.S. Navy, which will restore the 10-year ASW lead over the Soviets? In other U.S. Navy ASW forces?

Answer.

		$M	
NAME	P.E.#	FY 88	FY 89
Ship Const	24281P	257.6	1481.0
SSN 21 R&D	64561N S1946	213.2	195.1
Reactor R&D	63570N S1914	50.9	45.2
Combat System R&D	64524N S1941	211.3	303.9

SOVIET ASW CAPABILITIES

QUESTION: Admiral Lyons, despite heavy expenditures for ASW activities in the past, the Soviets usually have lagged well behind the U.S. in such capabilities. What specifically accounts for their progress in the recent past, and in which specific technological and combat capabilities areas of ASW is this progress manifested? Was this Soviet ASW unexpected, and if so, why? If so, what is the Navy doing to reduce the chances for such surprise in the future?

Are these increased Soviet ASW capabilities more threatening to the Navy's tactical forces, or to its strategic ballistic missile submarines?

Until the SSN-21 is deployed, or until other U.S. technology programs yield benefits which can be deployed in other Navy platforms, how specifically does the Navy intend to counter these increased Soviet ASW capabilities?

ANSWER: [Deleted].

FLYING HOURS EXECUTION

QUESTION: Please provide the following data on Navy and Marine Corps flying hour execution: Planned flying hour execution vs. actual execution by month (Oct. through Feb.) by system (F-14, F/A-18, A-6, S-3, E-2C CH/MH-53 -- and all other aircraft).

ANSWER: Fleet Commanders require a certain amount of flexability when executing the flying hour program because operational and training requirements are sometimes dynamic in nature. Therefore, the department has not required the Fleet CINC's to established a month by month execution plan. However, the following table of flight hour data is provided in lieu of month by month execution. The table includes cummulative fiscal year flight hour data through February 1987, together with the annual planned flight hours. The annual data was taken from the FY-87 column of the President's 1988 budget backup flight hour exhibit which anticipated $70 (M) in supplementel funding. The data reflects Navy and Marine Corps TACAIR/ASW flight hours by type model aircraft.

MARINE TACAIR

A/C	FY-87 YEAR TO DATE HOURS	FY-87 ANNUAL PLAN HOURS	A/C	FY-87 YEAR TO DATE HOURS	FY-87 ANNUAL PLAN HOURS
AV-8	6,399	20,263	A-4	8,612	28,606
A-6	8,028	17,926	F-4	8,920	20,008
CH-46	24,414	53,665	CH-53	16,736	42,575
OV-10	4,868	10,853	KC-130	8,417	19,312
H-1	17,928	38,946	FA-18	13,222	33,964
RF-4	2,851	7,955	EA-6	2,165	5,462

NAVY TACAIR/ASW

A/C	FY-87 YEAR TO DATE HOURS	FY-87 ANNUAL PLAN HOURS	A/C	FY-87 YEAR TO DATE HOURS	FY-87 ANNUAL PLAN HOURS
A-6	22,828	55,024	A-7	26,962	62,677
FA-18	17,654	45,132	F-14	35,355	88,314
E-2C	10,743	24,443	EA-6	7,950	17,460
SH-3	17,003	41,177	S-3	19,706	43,705
SH-60	9,765	26,052	SH-2	15,336	35,309
P-3	58,817	144,337			

Note: The above data is for active forces only.

QUESTION: Please provide the following data on Navy and Marine Corps flying hour execution: 1) total Navy flying hours, 2) by fleet and 3) shore based versus deployed aviation assets.

ANSWER:

	ATLANTIC FLEET		PACIFIC FLEET	
	FY-87 YEAR TO DATE HOURS	FY-87 ANNUAL PLAN HOURS	FY-87 YEAR TO DATE HOURS	FY-87 ANNUAL PLAN HOURS
Navy	199,566	490,706	208,321	507,410
Marine	57,861	147,218	85,824	218,901
Total	257,427	637,924	294,145	726,311

The above data is for Navy and Marine fleet active forces only The planned hours are the FY 1987 line of the President's 1988 Budget and include $70(M) in anticipated supplemental funding. The actual hours are cumulative from October 1986 through February 1987.

The Navy Department's Cost Accounting System does not provide flight hours on a monthly basis and has no provision for reporting deployed or shore based hours separately.

QUESTIONS SUBMITTED BY SENATOR WEICKER

Question. In a report dated September 1986, which was prepared at my request, the GAO indicated that the Navy had not prepared cost/benefit estimates for a TRIDENT competition. Has that work been completed?

Answer. The Navy is in the process of analyzing the cost savings which would result from competing the TRIDENT submarine. This work will complete by mid April 1987.

Question. At my request last year, the Appropriations Committee directed that the Cost Analysis Improvement Group in the Office of the Secretary of Defense undertake an independent assessment of the Navy's plan to compete future TRIDENT submarine contracts. That work can not be completed until the Navy submits all relevant cost data to the Secretary of Defense? When will that process be completed?

Answer. Discussions have commenced with the Secretary of Defense's Cost Analysis Improvement Group (CAIG). Relevant cost data will be provided by mid April 1987.

QUESTIONS SUBMITTED BY SENATOR HOLLINGS

AIRCRAFT CARRIER FUNDING

Question. Was the funding for the carriers included in the POM, PDM, or OSD budget review?

Answer. Funding for the next aircraft carriers has been a subject of continuing dialog over several budget cycles including the summer and fall of 1986 as the FY 88/89 budget was finalized. The program budget decision for carrier funding adjustments was approved by the Deputy Secretary of Defense in December 1986; the approved signed copy arrived in the Navy Department on 30 December 1986.

Question. Exactly when was the carrier funding put in the FY 88 budget and what type of OSD budget review was it subjected to?

Answer. The program budget decision for carrier funding adjustments was approved by the Deputy Secretary of Defense in December 1986; the approved signed copy arrived in the Navy Department on 30 December 1986. After OSD review, the Deputy Secretary of Defense approved the program budget decision indicating that he was satisfied with the review.

AIRCRAFT CARRIER FUNDING

QUESTION: Did the Chairman of the JCS or any of the unified commanders make a specific appeal in the Fall for two new carriers -- in writing, with a detailed discussion of the Soviet naval and air threat of 20 to 30 years from now and how the carrier responds to that threat and survives in the face of it?

ANSWER: Since 1981 the 15 CV/CVN goal has been widely accepted as the minimum essential force required to carry out the warfare tasks inherent in the Maritime Strategy. As such, this force level has received extensive public, congressional, and Defense Department support. The Joint Chiefs have repeatedly stated requirements for more than 20 CVs; this has been validated annually with strong inputs from Unified Commanders. The minimum force of 15 has also been continually revalidated. Neither the Chairman of the JCS nor the Unified Commanders specifically readdressed this issue again in the Fall of 1987, principally because the minimum requirement for 15 deployable carriers has been so well established for so long and because the Navy's carrier request in the FY-88/89 budget is for replacement carriers, not for force expansion. The JCS Director for Force Structure, Resource, and Assessment reiterated the JCS support for the minumum 15 deployable carrier battle groups before the House Armed Services Subcommittee on Seapower and Strategic and Critical Materials on 19 March 1987. In addition, the Chairman of the JCS has repeatedly stated his strong support for the proposed carrier replacement program in formal testimony before various Senate and House committees.

PUBLIC PRIVATE COMPETITION

About 1973, a decision was made to stop new ship construction in public shipyards and do it all in private shipyards. Another part of that decision produced a policy that split the overhaul and repair work on a 70%-30% basis favoring the public over the private shipyard since the public yard lost the new construction work.

Question. What is the current dollar split in overhaul/repair work between the public and private yards?

Answer.

	FY 82	FY 83	FY 84	FY 85	FY 86
PUBLIC	2432.0	2924.5	3066.7	3597.7	3007.0
PRIVATE	1532.7	1499.1	1429.5	1857.6	1681.7
TOTAL	3964.7	4423.6	4496.2	5455.3	4688.2
%PUBLIC	61.3	66.1	68.2	65.9	64.1
%PRIVATE	38.7	33.9	31.8	34.1	35.9

Question. If it's no longer 70-30--why the Navy has disregarded its policy--is it yet another administration device to privatize the government such as in "contracting out?"

Answer. The Navy's continuing policy is to insure that no more than 70% of our modernization, overhaul, and repair dollars are assigned annually to the public sector. The 70% limitation has been historically directed by legislation.

SRB'S AND BONUSES OR THE DRAFT

Question: Admiral Kelso, in your statement, you mention the need for continued strong Congressional support of the selective reenlistment bonus program to keep the critical skills of your enlisted personnel at peak levels. You particularly cite your concern about shortages in manning levels for critical skills in the engineering ratings category such as for boiler tender and machinist mates.

Currently, the DOD spends over $1 billion for all types of recruiting activities in order to meet enlistment goals of the All Volunteer Force. With the projected reduced pool of males — ages 17 to 21 — by the mid-1990's, competition among the job market, colleges, and the Armed Forcers for these young men will drive recruitment costs substantially higher. We know the cost for maintenance and sustainability, training, and the new equipment for your fleet are also growing.

In my view, we must turn to a military draft because we need a true cross-section of our society in the military. The job of national security falls on all of us — not just some of us. We simply will not be able to pay for all of our future defense costs and maintain the Volunteer Force. Something has to give.

In your view, and if your options were only continued, exorbitant pay and bonuses for young enlistees or the selective reenlistment bonus program to maintain the critical skills of the fleet -- what course of action should we, as a nation, pursue?

Answer: Senator, there is certainly merit in your view that we must return to a military draft because we need a true cross section of our society in the military. Additionally, from an economic view, a draft is cheaper at least in the short term because you can pay the lower ranks less money during the period of obligated service. This system was in effect for most of my career and history proved that we could sustain a capable military force under this system. I also clearly believe that the all volunteer force as it exists today, is working well but it is as you state, at least up front a more expensive system. The choice to operate the U.S. Armed Forces with either an all volunteer force or conscripted force is, I believe, a political choice which must be answered by the President, the Congress and ultimately by the American people. As a military officer, I personally believe the system under which we are operating today is the best for our country in peace time. I no longer as an officer am vulnerable to the question from a young recruit "why am I here against my will." Today I can respond, "it is your choice." Admittedly, I regret that an all volunteer service does not place equal weight of military service on all segments of our society. As to which of the two systems is more expensive, I am not sure the answer is clear. Certainly the conscription system allows you to pay less for the young recruit but it does nothing to reduce the cost of retaining high quality people capable of operating today's technical equipment. Once the obligated service is over, he must be paid at a wage level competitive with industry so that we can retain him/her in the service. It is also my belief that with the all volunteer service you will have higher retention resulting in a recruitment of a smaller number than with a conscription system. In other words, the number you must recruit under a conscription system to retain a certain number will be higher than the number recruited in the all volunteer system for the same number retained. It is the cost of this delta to train recruits that will determine which system is really cheaper. I believe it is absolutely clear from a psychological, emotional and political standpoint that the all volunteer force causes less turmoil to the American people. However, the ultimate answer to your question is a political one which I think must be answered by the Congress. We in the military can make either system function. I do not believe that the cost of personnel to the military in the aggregate will be substantially different under either system if we are going to maintain personnel with the ability to operate the sophisticated and technical equipment of a modern armed force.

15 CARRIER TASK GROUP FORCE STRUCTURE

QUESTION: Does JCS, not Navy, analysis exist that justifies a 15 carrier task group force structure? In what year and by what organization did the 15 carrier task group policy come about?

Both your testimony and that of Admiral Kelso cite the growing and substantial Soviet threat to our fleet in terms of anti-ship missiles, over-the-horizon targeting, and attack submarines. If this threat is so imminent in 1987, won't to be even more so in 2020 - about the mid-point of the life of the two carrier included in the budget request? Is JCS threat analysis available showing Soviet forces in 2020 against our fleet? What about these new carriers will make them less susceptible to Soviet forces, thereby justifying such expenditures?

ANSWER: Yes, In face, JCS has validated, annually, the need for at least 20 deployable aircraft carrier battle groups to fulfill national strategy. It is the minimum risk force cited by JCS as required to ensure peacetime readiness. It is noteworthy that the Navy's force objectives have not varied for over five years: since the 1984 budget submission, the Navy has consistently articulated the requirement for a 600 ship Navy with 15 deployable carriers as the requisite force to defend our nation's security. JCS established the requirement for the following deployed CV distribution: two in the Mediterranean and one each in the Atlantic, Western Pacific, and Indian Oceans. The Navy knows form many ears of experience--highlighted by training, maintenance, and retention requirement-- that in peacetime we need two CV's backing up every deployed CV: one just returned and one in workup prior to deployment dictates a requirement for a minimum of 15 deployable carriers in our Navy. No ship - or anything else - is vulnerable. War is not immaculate. There will be losses, damage, and death. But a modern aircraft carrier is more impervious to damage than any other ship afloat and certainly than any fixed land-based facilities (e.g., airfields, barracks, hangars, etc.). Further, we have demonstrated time and again that we can effectively avoid detection. More importantly, it is better able to detect and defeat the modern threat than any other weapon system. If we are to use the oceans of the world - and we must then we must control the sea's surface and the air at sea and then only way to do the effectively is with the aircraft carrier. The Soviet threat may increase, but so will the capability of our carriers battle forces. The rapidly changing state of today's technology complicates projections of future capabilities and threats, but we are confident that we can maintain our technological superiority. To effectively do so, we need to continue to systematically modernize the fleet. The nuclear-powered, large deck carrier will be required for as long as we can see. The aircraft, weapons systems, avionics, and electronics will change, but the need for these superb mobile airfields will remain

CARRIER FORCE RECONFIGURATION

QUESTION: What documents exist that justify the size of current squadrons other than you need 24 F-14's in order to have 14-16 missile capable at any time? If we sized our squadrons based on need, couldn't we have a reconfigured carrier force that would be more cost effective?

ANSWER: The primary document dealing with carrier air wing configuration is the CNO Air Wing Configuration Study, completed in 1983 and included in the 1986 Naval Aviation Plan (NAP). The study's primary result was introduction of the "notional airwing" concept. The notional airwing is composed of two ten-plane F-14, F/A-18, and A-6E squadrons, single five-plane E-2C and EA-6B squadrons, and the current mix of S-3A and SH-3 aircraft. This comprehensive study included consideration of relative offensive and defensive capabilities of various airwing compositions, deck loading multiple variables, procurement profiles, and projected threat levels.

From the strike effectiveness perspective, the ideal carrier airwing would include as many strike aircraft for which it has room and support capability after the carrier battle group's defensive requirements are met. The 1983 Air Wing Configurations Study defined a notional airwing with substantially increased offensive striking power and tactical flexibility compared to previous configurations, but also considered other important factors. These included manpower required, both officer and enlisted; maintenance and other support facilities required; number of available aircraft of various types, both in and planned for the Navy's inventory; carrier deck space capability; available training facilities ashore, and affordable supply support. The Airwing Configuration Study addressed a notional air wing configured to best execute offensive and defensive tactical air operations within available resources.

QUESTIONS SUBMITTED BY SENATOR SASSER

NAVY MUNITIONS

Question: Admiral Kelso, last year your predecessor expressed severe concern about the inventory levels of your deep water Anti-Submarine Warfare (ASW) mines. Has anything changed during the past year to alleviate this concern about these deficiencies?

Answer: Yes, CINCLANTFLT's overall capability will improve in the FY89 funded delivery period as a result of the FY89 President's budget. CINCLANTFLT current mining plans require more Captor mines than will be available within the current inventory objective. However, recently developed Captor minefield plans have emphasized the importance of offensive use of Captor in enemy controlled waters. Similarly defensive Captor fields which require large numbers of mines have been assigned a lower priority. Accordingly, Captor plans have evolved into two categories of use; high priority offensive plans and lower priority defensive plans.

Question: The Defense Reorganization Act provided the opportunity for the CINC's to have increased participation in the budget resource allocation process. Did you identify the continued procurement of CAPTOR mines -- the only deep water mine in the free world -- as a priority need?

Answer: Yes, I identified CAPTOR as one of my five (5) top priority threat weapons in my annual situation report (SITREP) which I submit to CNO and my Unified Commander.

CAPTOR MINES

QUESTION: HAS PACOM ALSO IDENTIFIED CONTINUED PROCUREMENT OF CAPTOR AS A PRIORITY NEED?

ANSWER: NO, HOWEVER EXTENDED DEPTH MODIFICATIONS TO EXISTING STOCKS IS A PRIORITY.

QUESTION: I AM ADVISED NAVY HAS IDENTIFIED ADDITIONAL TACTICAL USES FOR THESE MINES AND SUCCESSFULLY TESTED THEM IN NEW ENVIRONMENTS OF CRITICAL CONCERN TO STRATEGIC PLANNERS. DO YOU BELIEVE CAPTOR CONTINUES TO BE A VIABLE LOW COST OPTION IN OUR ASW ARSENAL AND MORE IMPORTANT, DO YOU BELIEVE THAT ADEQUATE MINES ARE AVAILABLE FOR YOUR ASW MISSION?

ANSWER: LOW COST AND COST EFFECTIVENESS ARE MISSION DEPENDENT. A MINE MAY BE AVOIDED AND SUFFICIENT MINES TO ACHIEVE ALL GOALS BECOMES PROHIBITIVE IN COMPARISON WITH, FOR INSTANCE, A NUCLEAR SUBMARINE, WHICH CAN BE USED WITH MUCH GREATER FLEXIBILITY AND IS USUALLY REUSEABLE. THE CURRENT CAPTOR ALLOCATION PROVIDES A SIGNIFICANT CONTRIBUTION TO ASW FORCES.

QUESTIONS SUBMITTED BY SENATOR KASTEN

Question. I understand that the new MHC design is 50% larger than the old LERICI class. That is a change from 540 tons to 750 tons. Will a 750 ton ship be able to do the same mission as safely as a 540 ton ship?

Answer. Yes, an increase in displacement does not compromise mission performance safety due to the minehunting procedures used.

Question. How much deeper will the draft be?

Answer. The draft of the MHC is 0.6 feet greater than the original LERICI class (9.2 feet compared to 8.6 feet).

Question. It looks like its going to be a lot harder to sweep for an amphibious landing. Is that the case? If so how will you meet the threat?

Answer. The amphibious assault sweep mission is to be accomplished by the 1300 ton MCM class and other methods. This is not part of the MHC mission. The degree of difficulty of this mission has not changed recently, and we are confident the MCM can perform this mission if we can get them built.

QUESTIONS SUBMITTED BY SENATOR BYRD

The Navy has testified it needs a minimum of 3% real growth in funding to sustain the 600-ship Navy. If this figure is not attained, the Navy of the 1990s could be either (1) smaller than now planned, (2) less ready, less sustainable, and less modernized than now planned, or (3) some mixture of both. A force that meets its numerical platform objective but falls short of its objectives for readiness, sustainability and modernization is sometimes referred to as a "hollow" force.

Given past appropriations, the Navy will likely achieve a fleet of 600 battle-force ships by the turn of the decade, as it has said it would. (Given the time needed to build new ships, the number of ships in the Navy in a given year is about 99% determined by actions taken years earlier. With the exception of a few small ships, and barring unplanned early retirements of older ships, the 600-ship figure is locked in place, at least temporarily.) This suggests that not meeting the 3% real growth requirement could, over the next few years, produce a Navy that tended more toward the "hollow" outcome.

Question. Does the Navy still believe that a minimum of 3% real growth in funding is needed to achieve and properly sustain the 600-ship Navy? If so, for how many years will this 3% growth rate have to be maintained? If the Navy no longer is using the 3% real growth yardstick, what new minimum growth figure has it adopted, and what explains the change?

Answer. Through the joint efforts of the Administration and Congress, the programs are in place that will sustain a 600 ship Navy with minimal rates of real growth in ship construction funding. The key to sustaining force levels is long term stable funding of our force sustaining programs avoiding the boom and bust cycles of the past that can lead to block aging and retirement of ships without one for one replacement. Long term stable annual funding of between $11 and 12 billion in FY 1987 dollars will sustain a 600 ship force level indefinitely. Several factors contribute to this leveling off of real growth requirements. First, our management initiatives have proved very successful in reducing the costs of naval shipbuilding. We have saved about $6.8 billion from FY 83 through FY 86 in shipbuilding. Sustained application of these initiatives into the future will contain cost growth pressures in shipbuilding and shipboard combat systems and weapons. Second, advancing technology will play a part in reducing physical demands by shipboard systems on the size and cost of ships. Advanced electronics technology, high power density machinery, and manpower reduction technologies will result in favorable cost trends that will allow additional capabilities such as more, larger, and higher performance missiles to be achieved with minimal overall real growth in costs. Third, advances in production technologies, such as those created by the National Shipbuilding Research Program jointly funded by the Navy, the Maritime Administration, and shipbuilders, will be instrumental in containing costs required to build naval ships.

These cost containment strategies combined with long term stable funding of about $11 to $12 billion annually in FY 87 dollars, avoiding large boom and bust fluctuation cycles, will sustain a 600 ship Navy force level indefinitely.

Question. Will there come a time when the funding requirement to sustain the 600-ship Navy will no longer have to grow in real terms? If so, when will that be, what accounts for the leveling off, and why can't the leveling off point be reached earlier?

Answer. As discussed above, we have now reached the point when ship construction funds of $11 to 12 billion annually in FY 87 dollars will sustain a 600 ship Navy force level indefinitely.

Question. What would be the effects on the Navy and the 600-ship objective of falling short of the required real funding growth rate? Would the near- and mid-term effects differ from the long-term effects? If so, how? Would we wind up in the near- and mid-term with a somewhat "hollow" Navy - a Navy that had 600 ships, but not enough men, munitions and spare parts to put in them? If not, why not? What kind of Navy would we have?

Answer. Deterrence is a fleet in being not ships on the drawing boards, or ships in the out year plans, or concepts in the laboratories. We have aggressively pursued management initiatives and have worked with Congress in establishing production programs that will sustain the fleet in being with minimal cost growth. Long term stable ship construction funding of $11 to 12 billion annually in FY 87 dollars will sustain a 600 ship Navy force level indefinitely. This will not be a hollow Navy. It will be the full capability Navy we need to deter adventurism by potentially hostile powers. Long term sustained funding at this level, which is less than 4% of the Defense Department budget request, will assure a force of 15 aircraft carriers, 240 surface combatants of types required to meet diverse missions, 100 nuclear attack submarines, amphibious assault shipping for the assault echelon of a marine amphibious force and a marine amphibious brigade, the strategic nuclear submarine force, and numbers and types of auxiliary and support ships required to maintain the fleet in forward deployment. This level of funding sustained over the long term will allow older ships to be replaced on a one for one basis with modern highly capable production ships and will allow continual rebalancing of ship class force levels to respond to the evolving threat and our global mission responsibilities.

Question. If the required real growth rate can not be achieved, how can the Navy's budget be intelligently pared to minimize the adverse consequences? Which programs are your highest priorities? Which, in order words, should be spared at all costs? Which programs are your lowest priorities? Which, in other words, can more easily absorb cuts? We understand that you have constructed a balanced Navy budget request to fund a balanced force. But you must have priorities, and we must make difficult decisions. Please provide examples of high- and low-priority programs, so that Congress can make appropriate decisions.

Answer. Our management initiatives and the production programs we have established with the support of Congress are the core of the shipbuilding production strategy for the future. It is essential that we sustain these core programs; such as the the aircraft carrier replacement program, TRIDENT, SSN 21, DDG 51, LHD 1, AOE, TAO, and MHC; into the 1990s. Annual funding at $11 to 12 billion in FY 87 dollars will sustain these core programs and this core industrial base with sufficient annual production quantities to indefinitely sustain a 600 ship force level. If this level of annual funding is not sustained, it is essential that we retain the balanced mix of core programs and the core industrial base, but we would have to reduce annual production quantity. Reduced annual production quantity will lead inevitably to increased unit cost and to reduced force levels with the consequent degradation of the ability of the United States to deter adventurism by potentially hostile powers.

SUBCOMMITTEE RECESS

Chairman STENNIS. All right, thank you very much. The committee will now take a recess, subject to the call of the chair.

[Whereupon, at 11:35 a.m., Wednesday, March 4, the subcommittee was recessed, to reconvene at the call of the Chair.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 1988

TUESDAY, MARCH 10, 1987

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 9:30 a.m., in room SD–192, Dirksen Senate Office Building, Hon. John C. Stennis (chairman) presiding.

Present: Senators Stennis, Proxmire, Johnston, Sasser, and Stevens.

DEPARTMENT OF DEFENSE

ASSISTANT SECRETARY OF DEFENSE

(FORCE MANAGEMENT AND PERSONNEL)

STATEMENT OF HON. CHAPMAN B. COX, ASSISTANT SECRETARY OF DEFENSE (FORCE MANAGEMENT AND PERSONNEL)

DEFENSE MANPOWER REQUIREMENTS

OPENING STATEMENT OF SENATOR STENNIS

Chairman STENNIS. All right, ladies and gentlemen, it is time to open our meeting of the subcommittee this morning.

This is an overview hearing, testimony in consideration of the manpower situation in our Guard and Reserve. Assistant Secretary of Defense Mr. Chapman B. Cox will be our main witness through these hearings, and he is the one who will open the hearing today.

Mr. Secretary, we are glad to have you here. I have read a great deal of the statement here, the introductory part. There has been some splendid work done on the entire subject by Mr. Scott Gudes of our staff. Mr. Secretary, your statement contains a world of very valuable information. It may not be dramatic, but it adds greatly to the available information for the public, for anyone, and also to the committee.

I know there are several members of our subcommittee who have a special interest and wanted to be here, and I think still some of them may get to come, but, as I have understood, the leadership at the White House called a meeting this morning at 9:30, and some of these members made a choice. They went to that meeting, but that is not an abandonment of their interest here.

So, Mr. Secretary, again thanks for your being here and especially the work you have done for this hearing. You may proceed in your own way and we will have questions later, I am sure.

TOTAL FORCE MAINTENANCE

Mr. Cox. Mr. Chairman, it is a pleasure for me to be here. I enjoy the opportunity to appear before this committee, which has done so much over the years for American service men and women. My testimony focuses on the principal responsibility of my office, as you have requested, and that is to acquire and maintain a total force of superior quality.

The total force includes all of our human resources—active, reserve, and retired military personnel, the Department of Defense civilian employees, and employees of contractors who perform DOD functions.

I have prepared a lengthy statement, which you referred to, which I would like to submit for the record. This statement describes all of our programs in these areas in some detail.

Chairman Stennis. Without objection, the entire statement will be included in the record at the conclusion of your oral statement.

Mr. Cox. In the rest of my oral comments, sir, I would like to highlight three main topics. The first is the quality of our force; second, some force management issues; and, third, getting the most for our personnel dollars.

QUALITY OF FORCE

First, the quality of the force. High quality service members are the backbone——

Chairman Stennis. Pardon me, now, Mr. Secretary. Where are you reading from? Are you reading in the statement for the written record?

Mr. Cox. No, sir. My statement that I prepared for the record is a lengthy 60-page statement, and I am now giving an oral summary of that statement, sir.

Chairman Stennis. Very good.

Mr. Cox. I first want to deal with the quality of the force and summarize the comments in the lengthy statement about the quality of the force. As I said, high quality service members are the backbone of our Nation's defense. Our program for acquiring and maintaining service men and women from enlistment through their retirement is one of the most important aspects of our defense effort.

Today, we are recruiting the highest quality personnel in history. We also have the right experience mix. The shortfalls of noncommissioned officers which plagued us in the 1970's are being filled now with competent, motivated professionals. The backbone of the force is strong.

Since 1980 the services have achieved their enlistment recruiting objectives, despite continued improvement in our Nation's economy, reduced youth unemployment and a continuing decline in the size of the eligible youth population. Recruit quality remains at record high levels, and is significantly higher than the average of the eligible youth population from which we recruit. In fiscal year 1986, for example, 92 percent of all recruits were high school diploma graduates, and 96 percent scored average or above on the enlisted skills test.

The services' ability to offset demographic changes and improved economic conditions is directly attributable to our programs to maintain fair and comparable military compensation, to enhance the quality of military life in both the workplace and at home and to support the services' recruiting programs with adequate resources.

Military pay raises of 4 percent in fiscal year 1988 and 4.3 percent in fiscal year 1989 are the core of the compensation package in the budget request. These raises are critical to preserving the strength of the force over the long term. We would like to make progress this year toward closing the 9.4-percent gap between military pay and comparable civilian pay. However, we recognize that it is not feasible under current budget constraints.

Therefore, we have requested pay raises which merely match projected civilian wage growth. These pay levels are intended just to keep pace and to protect military pay from falling even further behind. As we know from recent experience, it is much more expensive in terms of both cost and capability to rebuild a superior force than it is to maintain one.

QUALITY OF LIFE PROGRAMS

Another important reason why quality men and women join and stay in the force is the success of our efforts to improve the quality of military life both in the workplace and in the home. These efforts include programs with the following objectives: first, to reduce unemployment rates for military spouses; second, to provide relocation assistance to military families undergoing a permanent change of station; third, to provide adequate housing through housing allowances for members living in the civilian community and through the construction and maintenance of housing on post; fourth, to recognize family violence and abuse when it exists and provide competent treatment for all family members when appropriate; fifth, to provide quality education to military dependents stationed overseas; sixth, to provide morale, welfare and recreation facilities for service members and their dependents; and, finally, to facilitate each member's practice of the religion of his or her preference.

Combined with our quality recruits, our compensation and quality of life programs have produced dramatic dividends. Quality people want to stay in the Armed Forces, and with this increased retention the experience levels and numbers of our noncommissioned officers have increased. Now almost half of the total force has more than 4 years of active service.

PERMANENT CHANGE OF STATION

Now I would like to summarize the force management issues mentioned in my statement. To maintain this high quality stable and effective force we must faithfully implement personnel policies which are fair and are professionally satisfying. One such category relates to the many moves which service members and their families must endure. In

March of 1986 the Department of Defense submitted its study of the PCS program, the Permanent Change of Station program, to Congress, including several policy recommendations.

The annual savings resulting from these policy changes amounted to $280 million. Several other studies and tests are being conducted in search of additional ways to spend our PCS dollars more efficiently without adding further burdens to our service members.

There are two major personnel management issues involved in the implementation of the Goldwater-Nichols DOD Reorganization Act of 1986. The first relates to the joint officers specialty provisions and the other concerns the defense agency personnel reductions.

The Act mandates a 15 percent personnel reduction to agency and activity headquarters and a 10-percent reduction to their operating units. The Secretary has considerable flexibility in implementing the Act's provisions, which focus on structural and organizational changes, not on budget reductions. Studies are currently under way to determine the best way to make the required organizational changes with minimum damage to operational effectiveness. When the studies are completed we will make the changes in fiscal year 1988 and 1989, as required. No budget impact of the changes can be estimated at this time.

Next, we have extreme concern regarding the office reductions mandated by the last Congress. The cumulative reductions will drive the fiscal year 1989 officer structure below the fiscal year 1983 position, which will severely impact military capability. As you know, we are taking the 5,259 officer reductions from authorized fiscal year 1987 end strength in compliance with the law, but without full knowledge of what impact these decreases will have on force readiness.

We have commissioned a study to review the implications of these and additional reductions and will share that review with you. We will defend only those officer requirements that we can justify, but I respectfully request your patience until our study is complete. We expect it to be complete in June and early phases of it to be available to Congress later this month or early April.

Another important career management issue relates to DOD policy that women will be provided full and equal opportunity with men to pursue appropriate careers for which they can qualify. Women may serve in all capacities except those prohibited by combat exclusion statutes and related policy. Many combat support roles are open to women. For example, women served as pilots, copilots, boom operators, and other crew members on the air-to-air refueling tankers that supported last year's raid on Libya.

More than 216,000 officer and enlisted women comprise approximately 10 percent of the Active Force. We expect this number to continue to grow as more and more women recognize the opportunities available to them in the military services.

CIVILIAN MANPOWER REQUIREMENTS

A word about management of civilian manpower requirements. For the last 2 years DOD has managed its civilian work force on the basis of funded workloads and mission requirements instead of statutory ceiling controls. We have consistently maintained that this is the most efficient and effective way to manage the civilian work force levels. We want to continue these effective and efficient ceiling-free operations in the future.

Now I would like to make some summary comments about getting the most for our personnel dollar. We recognize not only due to the constrained budget environment but also because we must be good stewards of the taxpayers' trust that we must make every effort to obtain maximum effectiveness and efficiency with the personnel dollars we spend.

CIVIL SERVICE SIMPLIFICATION ACT

The current civilian personnel management system stresses administrative procedures at the expense of management flexibility, and offers little opportunity to reward productivity. To improve effectiveness and efficiency in manning civilian employees the administration has proposed the Civil Service Simplification Act. We strongly support the Act and believe it will provide a long-range solution to the current problems of the personnel management system.

Another point. DOD is very proud of its efforts to improve the productivity and efficiency of its operations. Our Department has been a leader in developing tools and policies which will enable our military and civilian work force to accomplish national security missions at least cost to the taxpayer. These include the efficiency review process, a specific program which funds productivity-enhancing capital investments, and work force motivation policies and programs, such as the Secretary's Productivity Excellence Awards.

RECRUITING STRATEGIES

A third item. In order to use and optimize the use of recruiting and advertising resources made available by Congress, we are now conducting a comprehensive cost-benefit assessment of all recruiting strategies and how they fit together in the recruiting equation. Factors under consideration are the proper mix of service-specific advertising and joint service advertising, the proper mix of enlistment bonuses, educational benefits and compensation. Finally, we are structuring our support to the President's war on drugs to maximize cost effectiveness.

Our response to more than 8,000 annual requests for support from law enforcement agencies is over 98 percent, and I am happy to report that in nearly every instance we are able to structure our support in such a way that we receive substantially equivalent training. This not only obviates the need for reimbursement, it also uses the funds in such a way to accomplish two valid necessary government requirements—one is law enforcement and the other military training—both at the same time.

In conclusion, Secretary Weinberger recently declared that the strength and quality of our military personnel are the proudest achievements of his service as the Secretary of Defense. This point was underscored during the Secretary's testimony before the Senate Armed Services Committee in January, when Chairman Nunn said: "Manpower is one of the most significant improvements in defense in the last 5 or 6 years."

Credit for this success in attracting and retaining high quality personnel while dramatically reducing drug and disciplinary problems belongs to the Congress as well. The restored volunteer force is an effective, credible deterrent force for peace. Its superior quality, skill, motivation and discipline have been demonstrated in places like the Gulf of Sidra, Beirut, Grenada, the Achille Lauro interception, and the Tripoli raid.

The competence, patriotism, dedication and morale of the men and women of the Armed Forces are major elements of these successes. Today's volunteer force stands more ready, willing, and able to defend freedom and deter aggression than ever before in peacekeeping history. To continue to attract, train, provide for and retain the high quality personnel that now fill the ranks the President has submitted a budget which seeks fair and reasonable improvements in compensation and the quality of military life. We respectfully request your continued strong support.

Thank you, sir.

[The prepared statement of Mr. Cox follows:]

PREPARED STATEMENT OF CHAPMAN B. COX

ASSISTANT SECRETARY OF DEFENSE (FORCE MANAGEMENT AND PERSONNEL)

INTRODUCTION

Good morning Mr. Chairman.

I am pleased to appear before this subcommittee which has done so much over the years for American service men and women. The men and women of the Armed Forces are the backbone of our defense structure. We commend you for the strong support you have given these proud and patriotic citizens who provide our nation with a superb force for peace.

My testimony will focus on the principal responsibility of my office: To acquire and maintain a Total Force of superior quality. The Total Force includes all of our human resources -- active, reserve and retired military personnel, Department of Defense (DoD) civilian employees, and employees of contractors who perform DoD functions. I intend to stress our programs for acquiring, training, managing and retaining the high quality active military and civilian workforce of DoD.

FORCE MIX - THE TOTAL FORCE

In 1981, with broad bipartisan Congressional support, this administration began rebuilding American military strength. Together we have successfully reversed the results of a decade in which the U.S. defense posture had declined. In the rebuilding process, we placed renewed emphasis on the Total Force concept which seeks to maximize the capability achieved from the various manpower pools available to DoD.

The active military manpower contributes quickly deployable, ready, combat capability. Reserve military manpower and military retirees augment the active combat capability, providing manpower for crucial combat support and for later deploying forces. Civilian and contractor personnel provide a wide range of specialized support, logistics, and research and development capabilities. Functions are assigned to various manpower segments based on combat requirements, capabilities, and cost effectiveness.

The elements of the Total Force are shown here.

Table 1 Total Force
(In Thousands)

	END STRENGTH			
	Actual	Planned	Proposed	
TYPE OF MANPOWER	FY 86	FY 87	FY 88	FY 89
Active Military	2,169	2,174	2,172	2,184
Reserve Military				
Sel Res	1,130	1,157	1,190	1,213
IRR & ING	482	514	549	582
Standby	41	41	41	41
Retired Military	820	819	776	776
DoD Civilians	1,112	1,124	1,123	1,125

Active Military

In the active force we have grown in strength, improved quality, increased experience levels, and reduced critical skill shortages. The active component grew by 118,000 personnel from FY 1980 through FY 1986, slightly less than 1 percent per year. We have programmed for a total of 2,184,400 through FY 1989, still 19 percent below the pre-Vietnam FY 1964 levels.

We expect growth in the budget years to be small: in fact, in FY 88, we are planning a 1,850 reduction in end-strength, and in FY 89, we plan a 12,000 end-strength increase. Thus, over the coming two-year budget cycle we are requesting only a net increase of 10,150 people. This additional end-strength will be necessary in FY 1989 to support force modernization programs already approved by the Congress.

Table 2 Active Military Manpower

Service	Actual	Planned	Proposed	
	FY 86	FY 87	FY 88	FY 89
Army	780,980	780,800	780,900	780,900
Navy	581,119	587,000	593,200	602,800
Marine Corps	198,814	199,600	199,600	200,100
Air Force	608,119	606,850	598,700	600,600
	2,169,112	2,174,250	2,172,400	2,184,400

The Army continues refinement of its combat force structure, modernization of skills and training, and improvement of strategic deployablility. Their heavy divisions are being streamlined, while light divisions are being fleshed out. These changes improve deployability and combat capability, while maintaining a relatively constant end strength.

The Navy requests an active manpower increase of 6,200 in FY 88 and 9,600 for FY 89. The FY 88/89 growth provides sufficient personnel to achieve the 600 ship Navy by 1989, while sustaining an adequate balance with readiness related support functions. For the two-year period, manpower increases include 2,162 for strategic submarines, 3,069 for 7 new Ticonderoga-class cruisers, 1,299 for a reactivated Iowa-class battleship, 2,433 for 4 new amphibious ships, 483 for Special Naval Warfare, 607 for mine counter measure forces and 3,312 for fleshing out the manpower complement of aircraft carriers and destroyers previously brought on line.

In FY 88, the Marine Corps maintains a constant end strength but rebalances some combat/combat service support to ensure continued high quality of equipment maintenance support. The 500 manpower growth in FY 89 will be largely for the activation of a self-propelled artillery battery and a towed, general support battery; necessary to provide rapid, constant and sustained indirect weapons fire for our Marines ashore. The goal of the manpower expansion is to provide organic artillery for the assault echelons of a Marine Amphibious Force (MAF) and a Marine Amphibious Brigade (MAB).

For FY 88, the Air Force programmed a manpower decrease of 8,150 as a result of many initiatives aimed at increasing efficiency and productivity. Also, a portion of the manpower decrease will result from Air Force efforts to contract out functions such as T-37 and T-38 aircraft maintenance and technical training center equipment maintenance in support of the Air Training Command. The 1,900 growth in FY 1989 supports growth in force structure.

The Services' end strength requests are sufficient to support DoD's planned force structure. The only substantial growth is directly attributable to required support for increased Navy force structure previously approved by the Congress, and is necessary to realize the benefit of dollars already spent on new Navy weapons systems.

Reserve Forces

Between 1980 and 1986, the total reserve structure has increased to 1,653,258, 43 percent of the military segment of the Total Force. Total defense costs are reduced by maintaining large Reserve forces, rather than keeping all military forces on active duty. However, the proper mix of active and reserve forces is more than a matter of cost. It is also a question of readiness. We must ensure that there are sufficient active forces for the early stages of reinforcement to NATO and to respond to crises elsewhere in the world.

The Reserves are made up of the Ready Reserve, the Standby Reserve, and the retired Reserve. The Ready Reserve can provide up to a 30 percent increase in DoD's military manpower during a mobilization. It is the most rapidly available segment of the Reserves. The components of the Ready Reserve are the Selected Reserve (SELRES) and the Individual Ready Reserve (IRR).

From 1980 to 1986, the SELRES has grown by 30 percent and will grow by another 16 percent by FY 1989. Most of the new members in the well trained, highly skilled units of the Selected Reserve receive the same initial military training as members of the active force. If conflict requiring a call-up occurs, these units will deploy with the active forces. Their current mission assignments demand that they be as fully capable as their active component counterparts.

The IRR and Inactive National Guard retain a wartime commitment from people with critical wartime skills. Management initiatives, the IRR reenlistment bonus program and the new eight-year military service obligation will further increase the strength and stability of this manpower pool. To ensure that the IRR will be a viable wartime asset, the Defense Department conducts annual screening to determine the mobilization readiness of the IRR members.

Retired Military Personnel

Retired military personnel are a pool of highly trained individuals who can be recalled to active duty during a major conflict. We estimate that there are about 820,000 non-disabled military retirees under age 60. To maximize the potential of this valuable manpower pool, we are continuing to preassign retirees where possible during peacetime to mobilization billets or stations that require their skills.

Civilian Employees

DoD's increases in civilian employees reflect our efforts to ensure that military personnel perform only those functions that require active duty personnel. Civilians play a critical role in the acquisition of weapon systems, the maintenance and repair of these systems, and in providing the direct support required by our military forces to accomplish their missions.

The civilian employment plan between FY 87 and FY 89 is essentially stable ranging from 1,124,000 in FY 87 to 1,125,000 in FY 89. The 1,900 increase between 1988 and 1989 will support military to civilian conversions, force modernization, security, medical training and logistics support requirements. While we need additional civilian resources to audit and investigate systems and spare parts, the relatively level Department employment plan reflects aggressive efficiency review and productivity measures.

We also expect to rely heavily on civilian manpower to perform wartime missions. We have strengthened policies and planning processes to ensure that essential overseas civilians remain on the job in a crisis and that we can quickly hire the additional 350,000 civilians that would be required during full mobilization.

We have improved our ability to hire additional civilians quickly by providing each DoD installation information on civilian retirees living within commuting distance and improving our ability to work with the local offices of the United States Employment Service upon which we would depend for much of our civilian mobilization needs.

Total Force Summary

Our Total Force improvements and initiatives significantly enhance the capability of the United States to use its vast human resources to provide active forces for deterrence in peacetime and to augment those forces through reserve forces in times of national emergency. This is an essential factor in deterring our potential enemies from hostile action while reassuring our allies of our continued support.

ACQUIRING AND MAINTAINING A SUPERIOR MILITARY FORCE

High quality service members are the backbone of our nation's defense. Our program for acquiring and maintaining service men and women (from enlistment through retirement) is one of the most important aspects of our defense effort.

If we look back into the late 1970s, the condition of the force was at an all-time low. Experts complained of a "hollow army", a 22,000 petty officer shortfall in the Navy, difficult recruiting, dangerously low quality of recruits, experienced people leaving in droves, and severe drug problems. The volunteer force was being called a failure; many were calling for a return to a draft. In six years, with the support of Congress, we have witnessed the most remarkable turnaround in peacetime history.

Today we are recruiting the highest quality personnel in history -- over 90% are high school graduates. We also have the right experience mix. The shortfalls of non-commissioned officers which plagued us in the '70s are being filled -- and filled with competent, motivated professionals. The backbone of the force is strong. This quality -- high intelligence, correct experience mix, high skill levels -- not only improves capability, but also increases productivity which is a force multiplier.

Accession of Quality Recruits

Recruiting Goals

Since 1980, the Services have achieved their enlisted recruiting objectives, with improved recruit quality each year, despite continued improvement in our Nation's economy, reduced youth unemployment and a continuing decline in the size of the eligible youth population. In FY 86, we recruited about 315,000 new enlisted members. Our recruiting objective for FY 87 is about the same. Recruiting results, by Service are shown in the table below.

Table 3 Total Accession Objectives
(In thousands)

Service	79	80	81	82	83	84	85	86
Army	167	173	137	125	145	142	125	135
Navy	92	98	102	93	83	83	88	95
Marine Corps	43	44	43	41	38	39	37	37
Air Force	69	75	81	74	64	61	67	66
DoD	371	389	362	332	329	325	316	333

Our needs have dropped from around 389,000 in 1980 to around 333,000 in 1986. As retention and quality increase, attrition decreases and fewer accessions are required.

Recruit quality remains at record-high levels and is significantly higher than the average of the eligible youth population from which we recruit. In FY 86, 92 percent of all recruits were high school diploma graduates and 96 percent scored average or above on the enlistment skills test. The Services' improved recruit quality is illustrated in the tables below.

Quality Measures -- HSG and AFQT

Table 4

Recruits with High School Diplomas

% of Total Non-Prior Service Recruits

	FY80	FY81	FY82	FY83	FY84	FY85	FY86
Army	54	80	86	88	91	91	91
Navy	75	76	77	91	93	89	85
Air Force	83	88	94	98	99	99	98
Marine Corps	78	80	85	92	95	97	99
Youth Population	75	75	75	75	75	75	75
DoD Total	68	81	86	91	93	93	92

Table 5

Recruits Scoring Average or Above

on the Armed Forces Qualification Test (AFQT)

% of Total Non-Prior Service Recruits

	FY80	FY81	FY82	FY83	FY84	FY85	FY86
Army	44	65	78	85	87	91	96
Navy	80	86	88	90	90	90	90
Air Force	87	90	92	97	98	99	99+
Marine Corps	69	84	89	91	93	96	99+
Youth Population	69	69	69	69	69	69	69
DoD Total	65	79	85	89	90	93	96

The Services' ability to offset demographic changes and improved economic conditions is directly attributable to our programs to maintain fair and comparable military compensation, to enhance the quality of military life in both the workplace and at home, and to support the Services' recruiting programs with adequate resources. If you sustain your commitment to these programs, we will be able to continue to satisfy our military manpower requirements with high-quality volunteers over the foreseeable future.

The Volunteer Force

Despite 13 years of success with the volunteer force, proposals to return to conscription continue to be raised. Typically, criticism of the volunteer force stems from the mistaken belief that conscription will produce a higher quality force and be less expensive. Also at issue is the notion that the decline in the youth population and reduced youth unemployment will make it impossible to recruit sufficient numbers of quality young people. None of these concerns is supported by fact.

The quality of the force is better today than at any previous time. There also is no evidence that a return to the draft will save money. Recent research indicates that conscription would increase costs up to $2.5 billion yearly.

With respect to demographics, the success of acquiring adequate recruits for the volunteer force is much more dependent on military compensation, quality of military life, adequate recruiting resources and public acceptance of military service than on the projected size of the available manpower pool. For example, the 1979 manpower pool was the largest in recent history. Yet we failed to meet recruiting goals that year. Conversely, we met our recruiting goals in 1974, when our accession requirements demanded 5.4 percent of the pool, a higher proportion than at any time since the beginning of the volunteer force. In 1996 when the manpower pool will be at its nadir, our projected requirement will be only 5.1 percent of the pool.

In addition, there are some positive aspects of projected demographic changes. These include the expansion of the labor force created by increasing female participation in both the civilian and military sectors, rising rates of immigration, and decline in college enrollments of young men.

Returning to conscription would also result in unnecessary and unwanted problems. Today, the military is filled with young Americans who believe that serving in the military is to their benefit. With a return to conscription, those drafted would be compelled to serve against their will; yet the great majority of draft-age individuals would not be called. This would likely be perceived as unfair and would lead to unnecessary resentment toward the Services from without, and lower morale, professionalism, esprit de corps and productivity within the Services.

The volunteer force has been an unqualified success - we can sustain that success by maintaining a sense of honor and dignity to service of country, ensuring adequate military compensation and providing the Services with necessary recruiting resources. There is no need to return to conscription to satisfy military manpower requirements.

Recruiting Management

Over the last several years this Administration has made a major effort to improve the nation's military recruiting programs. We have introduced programs to ensure that our young people in uniform are fairly compensated and that their quality of life is at least similar to that enjoyed by other segments of the nation's population. Our objective has been to restore a sense of honor and dignity to service to one's country. The improvements have been dramatic -- significant increases in recruit quality, improved retention, and major improvements in personnel and unit readiness. None of this would have been possible, however, without our nation-wide network of military recruiters: they are bright, well educated, and project the best possible image of the Armed Forces throughout the civilian community. They are active in the nation's high schools and serve as excellent role-models to millions of young people. They work closely with high school counselors, civic leaders and other members of the civilian community to ensure the widest possible understanding of both the role and mission of our Armed Forces, and the opportunities available to the nation's youth. These young service members, often the only military representative in the civilian community, are superb examples of our nation's Armed Forces and deserve the majority of the credit for our improved recruiting programs, and for the dramatic improvement in the public's perception of the military.

Alternative Recruiting Approaches

In order to optimize the use of recruiting and advertising resources made available by Congress, the Department of Defense conducts cost-benefit assessments of alternative recruiting strategies. Factors under consideration are the proper mix of service specific and joint-service advertising, enlistment bonuses, education benefits and compensation.

Advertising. In fiscal year 1984, the Defense Department conducted a large, complex advertising field experiment. The experiment was designed to examine recruiting effectiveness under various mixes of Service and joint advertising. The study findings show that DoD can obtain the same recruiting effectiveness and spend less on total advertising by increasing joint advertising and reducing Service specific advertising.

Enlistment Bonus Program. The enlistment bonus is an incentive to enlist in specialties the Services have designated as shortage or critical skills. For FY 87, the Congress came dangerously close to deleting all new bonus funding for the Air Force, Navy and Marine Corps and reducing the Army's new payment program by 75 percent. We urge you to continue to support this important program.

Enlistment bonuses are one of the key reasons for our recruiting success. However, they give us far more than just numbers of recruits. They produce high-quality recruits, with longer terms of enlistment, in specific skills where we need them the most. They are the most effective recruiting tool we have for targeting specific skills. For example, we pay bonuses only to high school graduates who score at or above the 50th percentile on the AFQT. In addition, bonus recipients incur service obligations at least one year longer than the minimum enlistment. For the most part, they serve in combat skills or hard-to-recruit, high-aptitude skills such as nuclear technicians and voice-intercept linguists.

In the face of the available pool of service-eligible males, enlistment bonuses are essential to ensure a continued supply of highly capable people for these important specialties.

New GI Bill. For over 40 years, veterans have been eligible for Federal education assistance under a variety of programs. These assistance programs have been authorized for a number of reasons: to provide Service members with a compensating benefit for adversities they endure such as low pay, harsh environments, physical danger and undesirable tasks; to make service in the Armed Forces more attractive; to provide training and readjustment to civilian life for those who have served in the Armed Forces; and to provide an education for those citizens who might not otherwise be able to afford one. These programs have been of considerable value to both the nation and its Service members.

The Educational Assistance Test Program, which we conducted during 1981, confirmed that educational benefits, if sufficiently generous, can attract high quality people to the Armed Forces. A separate study, conducted by the Congressional Budget Office in March 1982, validated the results of the Education Assistance Test Program and also pointed out that enlistments of high school graduates with above average aptitude test scores increased with generous education benefits.

We believe the New GI Bill has the potential to be an effective recruiting incentive. For this reason, we support making this program permanent. However, to fit into the overall context of the DoD recruiting program we believe that it should be more of a targeted program. For this reason, we are submitting a legislative proposal that will: restructure the basic benefit to provide a benefit that varies with the term of enlistment; continue targeted incentives (known as "kickers"); and transfer funding of the basic benefit from the VA to DoD.

Placing both policy and fiscal responsibility for the New GI Bill with the Department of Defense will permit a concentrated approach to using educational benefits which emphasizes their effectiveness as a recruiting incentive.

Training Programs

The high quality individuals recruited into the force must be trained to perform specific tasks and assigned duties. My office develops training policy (in non-Service specific areas) and oversees its implementation by the Services. We also support the Services' training efforts through the newly organized Training and Performance Data Center (TPDC).

The purpose of TPDC is to provide training related information and data management support to the Services and the entire defense training community. TPDC collects, integrates, stores and makes available training information. As a focal point and central repository of defense training data, it also responds to specific information requests from the DoD manpower and training community, and works to develop tools and methodologies for evaluating training and job performance data. TPDC will provide the resources for line managers to evaluate and improve training programs throughout the Department of Defense and to increase the cost/ benefit ratio of our training dollars.

Individual Training

Individual training includes enlisted recruit training, officer acquisition training including the Service academies but not ROTC, specialized skill training, flight training, and professional development education such as the National Defense University. In recent years total DoD individual training loads (student and trainee manyears of training) have remained fairly constant.

Diminishing resources in recent years have led to streamlining efforts in all phases of individual training. The resultant focus on efficiencies in training ensures continued success in producing well-trained individuals in the Services.

Unit Training and Readiness

It is widely acknowledged that training and unit readiness represent a difficult relationship to measure. We doubt the feasibility of developing totally precise and fully objective measures. However our measurement tools are being improved: (i) TPDC (discussed above) has been established and is successfully developing; (ii) The Joint Staff has reviewed and improved its readiness reporting system; and (iii) An internal DoD study is helping to clarify trends in military capability, of which readiness is a major component.

Unit activity levels provide opportunities for training and increase the preparedness of our troops. Activity levels in our operating forces (i.e. flying hours per crew, ship steaming days, etc.) are general indicators of the opportunities our operating units have to develop their skills as coordinated teams. Most of these activity levels will be about the same in FY 87, 88 and 89 as they were in FY 85 and 86.

Flying hours for Navy and Marine Corps tactical air and anti-submarine warfare crews will stay level at 25 hours per month. Air Force tactical air crews will continue to fly about 19 hours per month, and Army flying hours per crew per month will increase from 13.6 in FY 86 to 15.8 in FY 88 and 89. Additionally, it has been recently decided to program funds to sustain the annual training level for Army combat vehicle mileage at 850 miles in FY 88 and 89.

Most of these activity levels remain somewhat below the required levels for proper training as determined by the Services. We can maintain acceptable readiness with these operating tempos only by reason of recent improvements in the quality of training achieved by applications of modern training technology. Any reduction in funding these opportunities for unit training would soon reduce readiness.

Training Technology

In 1982, the Defense Science Board conducted a study on training and training technology. This study highlighted the need to improve training through effective use of modern training technology. Since then, a number of significant actions have been taken.

First, we established the Joint Service Manpower and Training Technology Program. This program reviews ongoing research projects in the Service laboratories and identifies those with potential application to more than one Service. Funding is then provided for selected projects to accelerate the demonstration and evaluate the new technology for training purposes.

In September 1985, guidelines for the development, acquisition and use of computer-based instruction were issued. These guidelines help focus and direct DoD use of computers to deliver training and manage course resources. In August 1986, DoD issued a directive which establishes policy for training simulator and device development, acquisition and utilization,and helps ensure that appropriate training equipment is acquired to meet specific training requirements as part of the total training system concept.

Currently, OSD and the Services are working together to develop interactive video disk courseware. Major objectives are to capitalize on DoD's current substantial investment in computers, to maximize the ability to share training materials within and across the Services and the private sector, and to maintain the ability to take advantage of new developments in technology.

Each of the Services has established mechanisms to improve training through better use of technology. The Army's Training Technology Agency consists of three field activities, located at Fort Knox, Fort Lee and Fort Rucker. Each activity evaluates new technologies and introduces those shown to be effective into both schools and operational units. Similar functions are carried out by the Navy at the Research Applications Center under the Chief of Naval Education and Training and in the Air Force by the Training Technology Applications Program, under Air Training Command.

Each of the Services has also developed high technology advanced training ranges. The Army's National Training Center (NTC) at Fort Irwin in the California desert now provides highly realistic combat training to 28 battalions per year. The Navy's Acoustic Underwater Technical Evaluation Center (AUTEC) off Andros Island in the Bahamas provides realistic submarine and anti-submarine warfare training under controlled conditions. The Air Force has a high technology advanced tactical air training range for air-to-air and air-to-ground combat training at Nellis Air Force Base in Nevada. The Navy is developing similar capabilities at the Fallon Naval Air Station, also in Nevada. This will alleviate scheduling conflicts created by having both Services use the Nellis training facility. In addition to these specialized and unique training ranges, the Services are making high technology improvements to existing ranges and increasing their use of simulators for training on advanced weapons systems such as tanks and aircraft.

Mobilization Exercises

The people and dollar resources we devote to defense cannot be employed effectively without the capability and the processes to mobilize quickly. Mobilization encompasses a wide range of activities including the transition of our military and civilian workforces from a peacetime to a wartime footing and the surging of our industrial base to produce the additional material needed in a war.

Exercises are our primary vehicle for evaluating and verifying the mobilization plans, policies and procedures. Since early 1981, we have devoted considerable effort to improving our ability to carry out a military mobilization. In late 1982, a prototype management tool, called the Crisis Management System, was tested during exercise Proud Saber. In the fall of 1985, we conducted a national-level mobilization exercise, called PORT CALL, that tested how well we could coordinate the many complex issues that would have to be presented for decision during mobilization. Among the specific policies and procedures evaluated were the call-up of selected reserves, the draft, retiree recall, the adequacy of the support forces and the industrial base, and recommendation of a decision to mobilize. In the fall of 1986, these policies and procedures were reemphasized during exercise POWER SWEEP.

We placed special emphasis on improving our ability to mobilize our civilian workforce. In the 1982 Tidewater mini-exercise near Norfolk, Virginia, we evaluated our ability to hire additional civilian workers to support a military mobilization. In late 1985, a follow-on mini exercise was conducted in the San Francisco Bay Area which gave us a chance to measure our progress in correcting problems revealed in the Norfolk mini-exercise. Twenty Bay Area installations participated. As a result of the San Francisco mini-exercise, we have been working on the following goals to be more consistent in our estimates of needs, to improve our procedures for reporting our requirements to the Department of Labor and the Office of Personnel Management, to better coordinate our hiring needs among installations, and to work more closely with defense industries with which we would have to compete for people with certain critical skills during a war.

In 1987 we will conduct another national level exercise entitled Proud Scout to test the modifications and procedural improvements we have made in the mobilization planning and decision-making systems. In conjunction with that exercise, we are currently planning another civilian mobilization mini-exercise that will encompass a greater mix of geographical areas and military installations with a larger demand for civilian manpower.

If we were to go to full mobilization, we also plan on making the most effective use possible of retired military personnel. As provided by law, a Service Secretary can recall to active duty military retirees, when and if necessary. Along these lines, the Army has issued preassignment orders to about 112,000 of its retirees telling them to report shortly after a mobilization decision is made. The other Services are also making plans for the potential use of their retirees in an emergency, and we are continuing our efforts to improve these plans.

We have learned from our exercises and plans that the complexity and magnitude of the mobilization process make sound planning and practice essential to success. Mobilization planning is particularly important today in view of the massive threat confronting the United States and its NATO allies.

Compensation

In response to the recruiting and retention successes of the past several years, Congress has scaled back military pay raises and a number of benefit programs. For example, it has enacted five consecutive pay raise caps and in 1986 reformed the military retirement system and reduced bonus levels.

Continuation of this trend imperils the hard-won recovery from the military manpower problems of the late 1970s. This dangerous trend must be halted by maintaining compensation and quality of life programs that include pay raises matching civilian wage growth, strong enlistment and reenlistment bonus incentives to eliminate skill-specific shortages, and institutional support to offset the unique demands and sacrifices of military service.

Military Pay Raise

The core of the compensation package in the FY 88/89 budget request are military pay raises of 4 percent in FY 88 and 4.3 percent in FY 89. We believe these raises are critical to preserving the strength of the force over the long term. As shown in this table, military pay rates in FY 87 now lag a cumulative 9.4 percent behind the private sector, as measured by increases in the Employment Cost Index (ECI). This is the result of pay raise caps in each year since FY 82.

Table 6 Pay Comparability

Fiscal Year	Military Pay Raise	ECI Increase	Comparability Gap
1983	4.0%	8.1%	-3.9%
1984	4.0%	5.6%	-5.5%
1985	4.0%	5.1%	-6.7%
1986	3.0%	4.4%	-8.1%
1987	3.0%	4.2%	-9.4%

In FY 82, when Congress restored military pay to comparability with private sector pay, it indicated an intention to maintain that comparability. However, since FY 82 the annual military pay raise has been capped below the ECI increase each year. This has created the present 9.4 percent comparability gap, virtually negating the restoration achieved by Congress just six years ago.

Though we would like to make progress this year toward closing this gap, we recognize that is not feasible under current budget constraints. By the same token, we must protect military pay from falling even further behind. The requested pay raises match projected civilian wage growth.

I realize pay increases will be inviting targets for cutbacks. Each one percent military pay raise, paid over a nine month period effective January 1, will cost about $500 million. Further, despite the pay gap, recruiting and retention remain strong, which would seem to provide an opportunity to save money without harming force manning. It is inevitable, however, that as military pay falls further and further behind, potential new military members will make alternative choices, and military members facing reenlistment decisions will vote with their feet. We will pay a heavy price in terms of filling and maintaining the Armed Forces with skilled and productive people. And as we know from recent experience, it is much more expensive (in terms of both cost and capability) to rebuild to a superior force than it is to maintain one.

It is absolutely and uniquely fundamental to the success of military force manning that we retain our people once we've made the investment of bringing them in and training them. When we lose a sergeant with 12 years of experience, it takes 4 or 5 new recruits and twelve more years of training to replace that person. We cannot hire people laterally, as in the civilian sector. The most essential compensation element in preserving a skilled and able force is basic pay. The five consecutive pay raise caps have brought us to the point where experienced people might start leaving the force.

Variable Housing Allowance

We are asking for increases in Variable Housing Allowance (VHA) rates of 3.4 percent and 3.5 percent in FY88 and FY89, respectively. The 4.9 percent rate increase military members should have received in FY87 to cover housing costs that had already increased was not authorized by Congress, causing our service members to absorb the housing cost increases. This absorption is now approaching 20 percent. Further imposition of these increased costs on service members who are required to live in the high cost areas is unfair to the service members and distorts the effectiveness of a program specifically designed on a rational and cost-effective framework to mitigate this inequity.

Statements made in congressional reports last year to justify deletion of the 4.9 percent increase indicate that some members may believe that VHA adjustments cover future cost growth. This is simply not true. The VHA increase covers cost growth that has already occurred. For example, the requested FY87 increase of 4.9 percent reflected housing cost growth between October 1984 and October 1985.

Also, in the VHA program, we are requesting that the offset provision be repealed. This program is based on averages and has a 15 percent differential built in as a prudent control. The offset penalizes personnel who have voluntarily chosen to spend less for housing and, more importantly, encourages people to spend more for housing, simply to avoid losing money. This is not consistent with the objectives of the VHA program, is extremely unpopular with military members, creates an incentive for them to choose more expensive rental housing, and unrealistically inflates the rental rates around military installations.

Taxation of Military Benefits

There's little doubt that our tax system needed a major overhaul to make it simpler and to improve compliance. The Tax Reform Act of 1986 goes a long way toward satisfying the President's goal of significant reform.

The 1986 Act clarifies several ambiguities of prior law that could have had disastrous results for military personnel. Fortunately, the Act did not abandon the traditional treatment given various items of military compensation, and retained an appropriate status for combat zone compensation, space available travel, legal assistance, burial in a national cemetery, education provided to minor dependents of members stationed overseas or in isolated areas, housing allowances, and disability pay.

Military Retirement

A viable retirement benefit is important to the military, as for most employers, for the purposes of retaining personnel for extended periods and reimbursing them for dedicating the prime of their lives to service. The stability of the military retirement system is important in this regard because it engenders the recipient's confidence in the stability of the organization and in its treatment of him or her as an individual.

The Military Retirement Reform Act of 1986 established a revised military retirement system for individuals who first became members of the Uniformed Services on or after August 1, 1986. The Act retains the 20 years eligibility criterion, while reducing the year-of-service multipliers from 50 percent to 40 percent at 20 years, and ramping up to 75 percent at 30 years as before. The Act also reduces annual cost-of-living adjustments from full Consumer Price Index increases to CPI minus one percent. Although we hope it is not the case, we expect that changes such as this in the total compensation package will make recruiting and retention more difficult.

Military retirement benefits are funded under an accrual accounting system. Payments to members and survivors are made from the DoD military retirement fund established in the Department of the Treasury. The DoD budget includes only the future retirement costs of current service determined by the normal cost percentage of basic pay. Funds are appropriated annually for that purpose.

6th Quadrennial Review of Military Compensation

Statute requires the President to "conduct a complete review of the principles and concepts of the compensation of the uniformed services" every four years. The required review commenced 1 January 1987 and is the 6th such effort since the quadrennial review process began in 1967. In this, the Sixth QRMC, Congress has directed DoD to review the structure of the reserve compensation system in relation to that of the active force.

As directed by Congress, the Sixth QRMC will perform a comprehensive review of the compensation of all military members paid from Reserve Personnel Appropriations, to include the military reserve non-disability retirement system. It will include a review of the health care and medical benefits for reserve members and their dependents and survivors. It will also specifically assess compensation systems for members performing full-time support functions for the National Guard and Reserve, and for reserve component health professionals. The effectiveness of current and alternative compensation and taxation systems for part-time members of the reserve components will also be evaluated.

The report of the Sixth QRMC is required to be submitted to the President by November 15, 1987.

Quality of Life

Among the many reasons why service men and women join and stay in the force is the success of our efforts to improve the quality of military life both in the workplace and in the home. These include provision of military housing, family support services, dependent educational assistance and morale, welfare and recreation programs.

The effectiveness and efficiency of the scarce personnel and monetary resources devoted to quality of life programs is best measured by the satisfaction of service members. As part of an ongoing effort to maintain accurate data on the composition of the force and evaluate service member satisfaction, the Defense Manpower Data Center has recently concluded two extensive surveys of enlisted and officer personnel and of spouses of military personnel. Prior to this, the last such survey of military personnel was conducted in 1979.

Officer/Enlisted Survey Results

Almost 19,000 active-duty officers and about 70,000 active-duty enlisted personnel in all four Services responded to an extensive questionnaire that was mailed to them at their duty stations.

The survey told us much about both officer and enlisted career plans and retention factors, personal and family characteristics of military members, perceptions of morale and individual preparedness, the economic situation of service members and their families, rotation experience, perceptions of duty conditions and satisfaction with military life.

Enlisted personnel expect to remain in the service longer than had respondents to the 1979 survey. Also more enlisted personnel said that they were likely to join a National Guard or

Reserve unit when they completed their time on active duty. The great majority of officers planned to serve in the military at least 20 years, while substantial proportions planned to serve longer. This represents an increase from the 1979 survey for all four Services. For young officers (those in their fourth to sixth year of service), greater satisfaction with promotion opportunities, retirement benefits, and frequency of moves is associated with a higher likelihood of expecting at least 20 years of military service.

The survey also showed that majorities of both officers and enlisted personnel are married; 60 percent of the officers and 43 percent of enlisted personnel have both a spouse and children in their households. For the first time ever, the Marine Corps has more dependents than members.

The survey's complete findings have been published in Description of Officers and Enlisted Personnel in the U.S. Armed Forces: 1985. Copies of this report have been made available to the Congress.

Spouse Survey Results

Over 41,000 military spouses, married to members of all four active-duty Services, responded to an extensive questionnaire mailed to them at their home addresses. The questionnaire included inquiries about personal and family military background, family composition, family moving experience, knowledge of and satisfaction with family programs and services, civilian labor-force experience and opportunities, family economic resources, and satisfaction with various aspects of military policy which directly impact the family.

The survey shows that military families, especially the families of enlisted personnel, are young, as measured by the spouse's age, the age of children in the family, and the duration of the marriage. Half of the enlisted men's families and two-fifths of male officers' families have a child under six years of age. While most military personnel are married to civilian spouses, about 110,000 are married to military personnel. Currently, only about one-tenth of families are at a location different from the member's.

While the survey identified some areas requiring policy attention, e.g., spouse employment services and services for families during military-related moves, overall levels of satisfaction are quite high. The survey indicated that seventy percent of the officers' wives and about sixty percent of the wives of enlisted men expressed satisfaction with military life. Satisfaction tends to be higher among wives whose husbands are at higher pay grades and/or who are at later stages of family life, i.e., have been married longer and have older children. At all pay grades, there is a strong correlation between the wife's and the husband's satisfaction with the military as a way of life.

The complete report of this survey is included in Description of Spouses of Officers and Enlisted Personnel in the U.S. Armed Forces: 1985. Copies of these survey results have also been made available to the Congress. Data from both of these surveys will be researched extensively in coming years to identify other trends and their implications.

Spouse Employment

Forty-four percent of both officer and enlisted spouses are employed, 10 percent less than their civilian counterparts. Also, unemployment rates for military spouses are much higher than civilian spouses.

Surveys in 1985 indicated that spouse employment and housing are the two most serious problems during permanent changes of station moves. Spouse employment services also had the highest dissatisfaction rating among family programs.

Provisions contained in the FY 86 and FY 87 Department of Defense Authorization Acts have expanded the federal sector employment opportunities for military spouses. Priorities now exist for grades GS-5 through 15 and the implementing regulations for non-appropriated fund positions UA 1-8 are in the final stage of coordination. In addition to the requirements contained in the authorization acts, family members are given preference in employment at the GS-1 through 4 levels in overseas locations.

The Department of Defense is pursuing three employment strategies which are proving quite successful. 1) Employment Resource Centers, now operational at a number of Army and Marine locations, include the following services: job referrals, job hunting skills training, resumé writing, interviewing techniques, and career counseling. 2) Employment assistance specialists, key providers at many Navy Family Support Centers, are the focal point for base spouse employment functions. 3) The Joint Employment Management System (JEMS), implemented in Hawaii as a joint service activity, is designed to provide employment resource services for all military families. We are studying the application of JEMS in other locations.

Although each Service continues to dedicate more resources to employment assistance, we still have a lot of work to do. The demand for support and assistance exceeds the available services at many locations. Increases in spouse employment also increase the demand for child care and latchkey child programs, separate counseling for more geographic bachelors and consideration of extended hours in some facilities to serve dual career families.

Family Relocation Services

The FY 87 DoD Authorization Act directed the Department to conduct a test to determine the desirability and feasibility of improving relocation assistance to military families undergoing a permanent change of station (PCS). The primary sources for relocation assistance currently are housing referral offices, family service centers, and sponsorship programs.

The test concept will centralize the functions that assist personnel in making a PCS move. The test will also use commercial relocation firms. Commercial relocation firms have shown an excellent capability to provide automated, up-to-date information on schools, medical facilities, recreational opportunities, spouse employment and general community information in addition to housing.

A Department working group within the DoD Family Policy Office is determining test sites and will publish the statement of work. We expect to award a contract following a competitive bidding process during the summer of 1987 and will provide periodic status reports to Congress.

Adequacy of Military Housing

Military housing is a very important element of the quality of military life. Adequate housing is provided through housing allowances for members living in the civilian community and through the construction and maintenance of housing on post. We are requesting strong support for both.

Family Advocacy Programs

The Department of Defense recognizes that family problems often have adverse effect on readiness, retention, and quality performance. While many individuals are able to resolve problems without outside assistance, others require help to avoid family violence/abuse. The Department has promulgated Family Advocacy Programs in each of the Military Services to provide the necessary assistance in these situations.

Family Advocacy Programs are designed to address the prevention, identification, treatment, and reporting aspects of child abuse whenever possible, recognize abuse when it exists, and provide competent treatment for all family members when appropriate. Each Military Department has established Family Advocacy Programs with five standard program elements which are: prevention, direct services, administration, training, and evaluation.

The mission of the Military Family Resource Center is to recommend policy and program guidance with regard to all forms of family violence, and to assist the military Services in their efforts to establish, develop, and maintain comprehensive Family Advocacy Programs. The mission of the DoD Family Advocacy Program is to eliminate family violence and facilitate effective family functioning.

Department of Defense Dependents Schools

The Department of Defense Dependents Schools (DoDDS), provide quality education to military dependents stationed overseas. The DoDDS educational programs strive to be comparable to programs of the public school systems of the United States so that students who transfer to and from overseas locations can continue their education with minimal disruption.

The FY 88 DoDDS budget request is $787.6 million, an increase of $147.4 million over 1987. Eighty-five percent of the FY 88 request represents fixed costs. With the remaining 15 percent, DoDDS must repair and maintain school facilities, procure textbooks, purchase supplies and equipment, provide in-service training to teachers, support extra-curricular activities, and recruit and place teachers. Of the total, education costs represent 60 percent of the DoDDS budget; logistics costs, 27 percent; and administrative costs, only 3 percent.

Increased funding to programs for improving the education of military dependents include: teaching English as a second language, increasing high school graduation requirements, providing talented and gifted programs, and remedial education programs. DoDDS is also pursuing increased opportunities for using microcomputers in the classroom.

Since the early 1970s, DoD-operated schools have provided instructional programs on substance abuse to all students, implemented counseling services for students at risk and worked cooperatively with local installation commanders to make available other health and counseling services as needed. DoDDS is currently updating its educational materials for the educational program and is expanding the preventive peer counseling program to other secondary schools. Peer group prevention programs are currently under consideration for all DoDDS and Section 6 Schools.

Although it will be covered in more depth before the subcommittees with oversight responsibilities for military construction matters, military construction is also an important part of the DoDDS program as we continue to refurbish old buildings and build new facilities as needed. The FY 88/89 budget request includes $54.1 million for FY 88 and $67.8 million for FY 89 for construction of urgently needed new school facilities.

Of the projects planned to be constructed with these funds, 12 have been deferred to the FY 88/89 budget due to fiscal and exchange rate pressures in previous years. For example, we will only be able to finance four of the eight projects authorized by Congress in FY 87 due to changes in the foreign currency exchange rates. If the Department is to continue to provide quality education to military dependents overseas, these construction and education projects must continue to receive your support.

Section 6 Schools

During the past year, in compliance with the FY 86 Military Construction Authorization Act (Public Law 99-167), the Secretary of Defense submitted a plan "providing for the orderly transfer, no later than July 1, 1990, of all Section 6 Schools to the appropriate local school districts of the State in which such schools are located." Pursuant to that plan, the Rand Corporation is conducting a study on implementing the required transfer. Based on the data received from Rand, we will begin discussions this year with the six designated school districts.

Morale Welfare and Recreation

Morale, welfare and recreation (MWR) programs are also an important element of the quality of military life. The FY 87 Defense Appropriations Act reduced Operations and Maintenance (O&M) appropriations support for MWR activities by $69.5 million. Our policies are currently being revised to reflect the directive language contained in the Appropriations Act and the House Armed Services Committee Report Number 99-718. We are applying these reductions by eliminating direct O&M support (e.g., civilian personnel, utilities, interior building maintenance) for revenue-generating recreational activities such as open messes, bowling centers, golf courses, and marinas in large metropolitan areas of the United States.

As a result of the reduction in funding, each Service, working with my office, has instituted a review of the current MWR organizational structures. This review is intended to address potential organizational changes that will enable revenue-generating MWR activities to operate effectively within the decreased level of appropriated fund support. Among the alternatives being considered is the merging of certain revenue-generating MWR activities with the military exchange systems. We are confident that meaningful cost-saving organizational changes will occur.

Free Exercise of Religion

The Department of Defense, recognizing the fundamental right of free religious practice and the importance religion plays in the lives of Americans, maintains a Corps of Chaplains to facilitate each service member's practice of the religion of his or her preference. In keeping with the spirit of the volunteer force, members of the Corps of Chaplains are civilian ministers who volunteer for military duty. At most major installations, service members have access to ministry from a chaplain from one of the major faith groups -- Protestant, Catholic or Jewish -- of their choice.

In 1986, a bill was introduced in Congress which would have required the Department of Defense to maintain a Corps of Chaplains with proportional representation more closely aligned with the faith group demography of the Armed Forces. In lieu of this legislation, the Congress adopted an amendment to the FY 87 DoD Authorization Act directing the Department to analyze and report on the related issues.

This report has been completed and submitted to Congress. One of its principal findings is that using the demographic distribution of faith groups among members of the Armed Forces as a guide to the faith distribution within the Corps of Chaplains is not feasible, would only exacerbate any imbalance which currently exists, and would not meet the constitutional basis of free exercise/non-establishment of religion. For example, such a quota system would lead to reduction in the number of Jewish chaplains, making it harder for a Jewish service member to exercise his faith than his Christian counterparts.

A clergyperson's superior (e.g. Bishop, etc.) has the final say whether or not a clergyperson may participate as a military Chaplain. If the Department were required to maintain proportional faith representation in the Corps of Chaplains, it would be necessary to conscript clergy of some faith groups. This would be contrary to the constitutional separation of church and state. To achieve such a mandated proportional faith representation without conscription would require reducing the overall size of the Corps of Chaplains by eliminating the number of chaplains belonging to other faith groups, until the established ratio or quota was achieved.

The difficulty here is that there is a shortage of clergy in certain faith groups and not that the military does not seek to recruit clergy to meet religious faith group needs of its people.

The study recently completed clearly demonstrates that the free exercise rights of the military community could not be adequately protected by a chaplain force whose composition is determined by proportional representation. Some factors that compel this conclusion are:

- The geographic dispersion of the Armed Forces and the faith specific liturgical and religious requirements.
- The current level of authorizations for active duty chaplain positions.
- The futile attempt to maintain a proportional relationship among more than 105 faith groups represented in the military chaplaincy, and which would have to be attempted in a changing environment where an accurate religious census is difficult to obtain or keep current.

It is therefore the Department's position that legislation as proposed in the last Congress to compel "faith balance" is unadvisable.

Religious Apparel and the Military Uniform

Proposals to permit the wearing of religious apparel with the military uniform have been reintroduced in this Congress. It is a high DoD priority to foster the free exercise of religion by service members. Our extensive chaplain programs are devoted to that purpose. Our policy is to accommodate religious practices, including apparel, unless it is inconsistent with military requirements.

Military uniforms establish the essential identity of military service and symbolize the vital characteristics of discipline and unit cohesion. The bills to permit individual members to alter that identity by virtue of their beliefs will engender disruption and invite charges of favoritism and discrimination.

Laws to allow "neat and conservative" religious wear with the military uniform do not resolve the issue. They only pass the problem on to local commanders to judge subjectively which apparel fits this description, irrespective of the dictates of organized faith groups. That is a fundamentally unfair burden to place on commanders in the field, and that is where the conflicts will then arise. Moreover, such laws would force service members and their commanders to appear to take sides among members of various organized religions. Permitting the wearing of one form of apparel or marking, while denying another as not "neat and conservative" would engender precisely the strife that a cohesive military unit cannot tolerate. It might also constitute an unconstitutional official government recognition of one religion's practices over those of another. Other complications would arise because claims of religious practice requirements need not be based on teachings of a recognized religious group, and thus the sincerity of a member's claims may be called into question. Such a policy is an invitation to contention, conflict, and litigation.

This matter has been debated as if it were solely an issue of religious accommodation. In fact, it has vital implications for the maintenance of discipline, unit integrity and cohesion. Accordingly, we urge you not to impose subjective standards on matters of religion. That should not be the business of government.

Career Management

In the process of managing and maintaining a high-quality, stable and effective military force, there arise many issues which directly affect our ability to attract and retain quality people and which are related to their perception of (i) the fairness of our personnel management policies, and (ii) their prospects for satisfactory professional growth. These are predominantly issues of policy which directly affect the careers of military members.

Permanent Change of Station

One such issue relates to the many moves a service person and his or her family must endure. The bulk of the Department's program for Permanent Change of Station (PCS) is related to bringing Service members into the Armed Services, moving them to and from overseas assignments, and returning them to civilian life.

In March 1986, the Department of Defense submitted its study of the PCS program to Congress. The recommendations of the study have been endorsed by the Secretary of Defense and incorporated into both the Senate and House FY 87 DoD Authorization Bills. The annual savings resulting from these policy changes amounted to $280 million.

In addition, at Congress' direction, the Army is conducting a test at Fort Bragg, North Carolina, to provide cash incentives to the Service member for shipping less than the maximum allowable HHG weight allowance. The results of this test program are to be reported to Congress in June, 1987.

Congress has also directed another review of the Overseas Tour Extension Incentive Program to determine its cost effectiveness and possible expansion to more Service members. This report is due next month.

We have done much to reduce PCS turbulence and related costs: developed an automated data system, authorized consecutive overseas tours, increased tour obligations for those desiring a higher priority consideration for overseas duty areas, emphasized minimum tours in the continental United States, involuntarily extended members overseas and increased minimum retainability for overseas returnees.

Although the Congress included a number of PCS improvements in the FY 86 DOD Authorization bill, the reimbursement levels for military personnel remain far below those of federal civilians. This is especially true of Congress' recent elimination of funding for temporary lodging expenses (TLE) in FY 87 to all members except junior enlisted personnel with dependents. Significant differences also exist between the entitlements for federal civilians and uniformed service personnel because of the substantial allowances federal civilians receive in connection with house hunting trips and with buying and selling their homes. Furthermore, beginning in FY 87, appropriations have been limited to less than the authorized amount for the Dislocation Allowance.

The degree to which members are reimbursed for travel costs has never been clearly determined; however, a pre-FY 86 survey placed the ratio at $1 reimbursed for every $4 a member spends. In order to evaluate how the FY 86 travel improvements have impacted on the individual Service member's lifestyle and to determine the current ratio, we have initiated a very comprehensive study of PCS reimbursements that will provide up to date answers to this question. The study is expected to take approximately 18 months.

In view of the significant PCS improvements of FY 86 and the constrained budget environment in which we are now operating, the Department has not included any major new PCS initiatives in the FY 88/89 budget, but we do seek funding for those programs currently authorized.

Joint Officer Specialty

The Goldwater-Nichols Department of Defense Reorganization Act of 1986, enacted by the 99th Congress, established a joint officer specialty program and established certain requirements for joint officer management. To implement these requirements, I have established an implementation plan with 14 specific provisions. Working groups headed by general/flag officers within the Organization of the Joint Chiefs of Staff and my office are coordinating the implementation of this plan.

We are proceeding with a preliminary analysis, using a working concept of joint duty assignments (JDAs) as well as the "critical" JDAs. We have implemented procedures to incorporate the immediate requirements of the Act in general/flag officer nominations for appointment to specific statutory positions and initial three- and four-star promotion recommendations. We will also publish interim policy with guidelines concerning selection board guidance and membership, the processing of selection board results, nomination procedures for joint specialty officers, assignment of National Defense University graduates, the Capstone course for general/flag officers, scientific and technical categories eligible for waivers of JDA requirements for promotion to general/flag officer rank and length of JDA tours.

Flag and General Officer Requirements

For the past few years, the Department has asked for relief from the congressionally mandated ceiling of 1,073 general/flag officers adopted as part of the FY 78 DoD Authorization Act. As a condition for possibly removing or raising the ceiling which took effect in FY 82, the Department complied with a request to submit legislation to reform the laws governing the management of general and flag officers. Over the last five years, Congress recognized the adverse impact of the ceiling by granting specific grade relief at the three and four-star grades to the Navy, the Air Force, and the Marine Corps. We support and urge action on the Department's legislation which would make further piecemeal relief from the 1,073 ceiling unnecessary.

Frocking

The Service Secretaries' legal authority to "frock" an officer selected for promotion is an essential assignment and career management device. (By frocking, the Service Secretary allows the officer selected for promotion to wear insignia of the higher grade without entitlement to the higher pay.) We have determined, however, that Service policies regarding frocking vary.

Therefore, in order to achieve consistency and avoid potential abuse, we are publishing a Department of Defense Directive to regulate the exercise of frocking authority. To be frocked an officer must be (i) selected for promotion to the higher grade, (ii) confirmed by the Senate, and (iii) serving in or ordered to a designated position of the higher grade. In addition, limits have been placed on the number of designated frocking positions for the end of FY 87: 3 percent of each Service's total field grade promoted positions authorized by DOPMA and 3 percent of the number of general/flag officers provided in the Department's proposed comprehensive flag and general officer legislation.

Officer Reductions

We have extreme concern regarding the officer reductions mandated by the last Congress. The cumulative reductions of that action will drive the FY 89 officer structure below the FY 83 position - an intolerable situation. Viewed from another perspective, from 1983 to 1989, we will have commissioned 92 ships, deployed 29 Ground Launch Cruise Missile Flights, fielded two new Light Infantry Divisions and launched into the new frontier of space without officers to command those new weapon systems and develop the new technologies that you have helped us obtain in the last 7 years. As you know we are taking the 5,259 officer reductions from authorized FY 87 end strength in compliance with the law, but without full knowledge of what impact these decreases will have on force readiness. As the Secretary of Defense indicated in his Report on Officer Reductions, we have commissioned a study to review and explain where and why the officer structure grew. We are reviewing the potential implications of the FY 87 and any further reductions and will share that review with you. We will defend only those officer requirements that we can justify, but I respectfully request your patience until that data is available.

Defense Equal Opportunity Council

DoD is proud of its successes in the area of equal opportunity. During 1986, in an effort to build on that success, we established the Defense Equal Opportunity Council (DEOC). The mission of the DEOC is to ensure that our equal opportunity policies are fair, effective, and vigorously enforced at all levels.

I chair the DEOC. Other members include the Assistant Secretary of Defense for Reserve Affairs and the respective Service Assistant Secretaries for Manpower and Reserve Affairs. Also in attendance at DEOC meetings are my Deputies for Civilian and Military Personnel Policy. They each have the responsibility for equal opportunity policy in their respective area and have formed working groups with representation from the Military Departments.

The DEOC has two principle functions. First, it is a forum for proactive coordination of civilian and military equal opportunity policies and for monitoring the progress of equal opportunity programs. Secondly, the DEOC makes recommendations to the DoD leadership on equal opportunity matters. DEOC's goal is "to review thoroughly the civilian and military equal opportunity policies and programs to determine if they adequately support Total Force requirements to the year 2000." To this end, the DEOC has identified 12 military and 10 civilian review objectives. Among these are to establish equal opportunity and treatment of personnel as functions of leadership, thereby ensuring that these concepts are accepted responsibilities of leaders and commanders in all segments of the Total Force.

The new equal opportunity policy structure has revitalized the equal opportunity policy process in the Department. Top policymakers are addressing problems relating to implementation of equal opportunity policy up-front, and the equal opportunity review project provides a framework for coordinated identifica-tion and resolution of new equal opportunity policy issues.

Women in the Military

It is DoD policy that women will be provided full and equal opportunity, with men, to pursue appropriate careers for which they can qualify. Women may serve in all capacities except those prohibited by combat exclusion statutes and related policy. Many combat support roles are open to women. For example, women served as pilots, co-pilots, boom operators and other crew members on the air-to-air refueling tankers that supported last year's raid on Libya.

Today, almost 88 percent of all military skills and more than 61 percent of all military positions are open to women. More than 216,000 officer and enlisted women comprise approximately 10 percent of the active force. We expect this number to continue to grow as more and more women recognize the opportunities available to them in the Military Services.

Retention

Combined with our quality recruits, our compensation and quality of life programs have produced dramatic dividends -- quality people want to stay in the Armed Forces. The following table shows our track record on retention since the end of the draft.

Table 7

Retention Rates

Enlisted Personnel Retention (Total DoD)

% of Eligible Personnel Who Reenlist

	FY74	FY76	FY78	FY80	FY82	FY84	FY86
First Term	30.0	29.8	37.1	39.1	52.9	50.8	49.2
Career	81.4	76.3	71.5	70.5	84.6	86.1	83.8

During the '70s we were having difficulty retaining career people. In the '80s, career reenlistments have gone up, and they are now at an optimum level.

There is a kind of synergism between the quality of the people we have and retention. With better people in the force and a more professional the working environment, the more proud and satisfied the service members are with their situation, and the more they want to stay. As we select only the better ones to stay, the quality of the force is enhanced even more, and it becomes more attractive to quality recruits.

Experience

Another aspect of this synergism is experience. With increased retention, the experience levels and numbers of our non-commissioned officers have increased. Over the last six years, the experience levels and the numbers of our experienced NCOs have gone up 15 percent, which is three times as great as the increase in personnel in the enlisted force in general. Now almost half the total force has greater than four years of service.

Table 8 Experience of Active Component Enlisted Force

% With at Least Four Years of Service

	FY80	FY81	FY82	FY83	FY84	FY85	FY86	FY87*	FY92*
Army	40	42	45	46	46	46	45	46	46
Navy	42	43	46	47	49	50	50	50	51
Air Force	52	52	53	55	56	68	59	57	61
Marine Corps	28	30	33	35	36	37	38	41	40
DoD Total	42	44	45	47	48	49	49	50	51

* projected

Professional Working Environment

Our surveys indicate that illegal drug use in the force has dropped significantly since 1980 when some units reported that nearly 1/2 of the junior enlisted members were using drugs. Recent surveys indicate it is now less than 1 in 10. Other indicators of indiscipline also continue on positive trends. For example, the rates of unauthorized absences have dipped by approximately 60 percent since 1979 and are now at the lowest level on record.

Characteristics that have to do with bravery, emotional strength and endurance, initiative, leadership and creativity are difficult to define but not hard for experienced military people to recognize. It is hard to find a senior officer or enlisted person who does not agree that these characteristics are at historically high levels in the force.

Personnel Shortages

Our most serious deficiency is the continued shortage of nuclear trained submarine and surface officers in the grade of lieutenant commander through captain. The second area of concern is pilot shortages in the Navy and Air Force. Both areas are being aggressively pursued through the initiation of monetary and non-monetary incentives. While we realize that there are no quick solutions to either problem, the initiatives being implemented and those being proposed are expected to have a positive impact in reducing both shortfalls during the remainder of the decade.

The shortages in the nuclear power community reached a peak of 22 percent in FY 86 in the cited grades. However, the enactment of enhancements to the Nuclear Officer Incentive Pay in the FY 86 DoD Authorization Act, the one year extension of the SPOT promotion authority in the FY 87 DoD Authorization Act, and a proposal to restore Submarine Duty Incentive Pay by 35 percent in the FY 88 DoD Authorization Bill are expected to cut the deficiency to 16 percent by FY 91.

Increased airline hiring over the past three years has been instrumental in causing a decided decline in the retention rates of pilots in both the Navy and the Air Force. Approximately 8,000 pilots were hired in FY 85, another 6,000 in FY 86, and approximately 5,000 more will be hired in FY 87 according to estimates by the Services and professional pilot organizations. Monetary incentives like Aviation Career Incentive Pay (ACIP) and the Aviation Officer Continuation Pay (AOCP) are critical to the Services' efforts to stem the exodus of these experienced pilots. Additionally, the Services are exploring non-monetary incentives that may be useful in retaining pilots: incentives that involve quality of life and family stability.

Reenlistment Bonuses

Reenlistment bonuses are an important incentive for the retention of quality people in mission critical skills. If these bonuses are used judiciously, we can retain the very best men and women in these vital positions. When military pay raises fall behind civilian sector raises, it is doubly important to maintain bonus incentives to assist in meeting manning requirements for mission-critical skills. The reenlistment bonus amounts requested in the President's budget reflect funding requirements needed to meet retention objectives in these key specialties.

Unfortunately, these key incentive programs have suffered recent cutbacks. Last year, Congress reduced the FY 87 request for new reenlistment bonuses by roughly 15 percent. At this time there is not enough data to measure the impact of that reduction on FY 87 retention programs, but we hope to have a preliminary assessment by summer. In the meantime, the requested bonus levels are our best estimate of what is needed to sustain desired retention rates.

Current law mandates payment of at least 75 percent of each new bonus as an initial lump sum beginning in FY 88. For this reason, the new payment budget figures are $167 million and $172 million higher in FY 88 and FY 89, respectively, than would have been programmed under the current 50 percent lump sum methodology. Last year, the Congress provided relief from the 75 percent requirement for FY 87 only. We are proposing legislation to delete this requirement and restore our flexibility to adjust payment methodology to accommodate changing economic conditions.

MANAGING A PRODUCTIVE CIVILIAN WORKFORCE

A vital segment of our Total Force is civilian personnel. The Department employs 1,124,000 civilians in 681 different occupations, ranging from warehouse operations in major maintenance facilities to scientific research in advanced laboratories. Along with their military counterparts, our civilians live and work in nearly every conceivable geographic location.

Civilian Manpower Requirements and Constraints

For the past two years, DoD has managed its civilian work force on the basis of funded workloads and mission requirements, instead of statutory ceiling controls. We have consistently maintained the position that this is the most efficient and effective way to manage civilian work force levels. We want to continue these effective and efficient ceiling-free operations in the future.

For FY 88 and 89, DoD anticipates civilian work force requirements of 1,123,102 spaces and 1,124,938 spaces, respectively. Approximately two-thirds of these civilian spaces will be white collar (GS/GM) and the remaining one-third will be blue collar (Wage Grade). Most of the civilian work force will be full-time permanent employees, although the ceiling-free flexibility has allowed DoD managers the opportunity to employ more part-time employees. This flexibility reduces costs and increases productivity. The Department requires approximately 1,034,900 direct hires and 88,300 indirect hires in FY 88 and 1,035,800 direct hires and 89,100 indirect hires in FY 89.

Notwithstanding the flexibilities and improved productivity associated with ceiling-free operations, we face a number of civilian work force constraints which impede and inhibit mission accomplishment. For FY 87, the Appropriations Conferees limited total DoD civilian overseas workyears to those levels actually achieved in FY 86. This limitation restricts the Secretary's ability to apply resources to workload and mission requirements, and hinders the Department's military/civilian substitution efforts. The Department's FY 88 and FY 89 budget requests reflect true overseas resource requirements. These numbers do not anticipate reimposition of the overseas workyear controls.

The Goldwater-Nichols DoD Reorganization Act of 1986 imposed military and civilian ceiling controls on the Military Service Secretariats and Chief of Staff organizations. In addition, the Reorganization Act directed a 15 percent reduction to Defense Agency and DoD Field Activity management headquarters organizations and an additional 10 percent reduction to their operating activities. These reductions are to be implemented in FY 88 and FY 89. Studies are currently underway to assess the impact of these reductions on overall DoD missions and operations, and based on the results of these studies, we will adjust Defense Agency and DoD Field Activity manpower to accommodate the legislative requirements. These reductions will be based on criteria to result in the least damage to operational effectiveness. Arbitrary work force reductions which are made without regard to funded workloads and mission requirements would doubtless reduce capability and readiness. We must determine how to minimize the damage before making the reductions.

One aspect of the DoD Reorganization Act which can immediately improve DoD operations is the reduction of reporting requirements. At the same time that the Reorganization Act was being enacted, other congressional committees were imposing additional reporting requirements on DoD. For example, starting next month, I am required to provide a monthly report of actual civilian spaces and workyears. Portions of this report are already submitted to the Congress, and all of the information is available in the President's budget justification books. This report is a waste of the resources required to prepare it, and I question its value to the congressional oversight committees. I request your assistance in canceling this unnecessary reporting requirement.

Recruiting

Vacant positions are frequently filled by promoting, reassigning or transfering current DoD civilian employees. Nevertheless, primary responsibility for recruitment, from internal, business, professional or academic communities, rests with the DoD managers. When outside hiring is done to fill clerical support, professional entry or hard-to-fill scientific or technical jobs, the Regional offices of the Office of Personnel Management assist in the competitive examination process.

Career Development

We continue to place great emphasis on career development and career management programs within the Department. Central to this effort is an objective evaluation of the quality of individual performance based on valid performance measurements. Employees are subsequently selected for career broadening assignments, education programs, training courses, as well as middle and executive management development programs, which are all tailored to meet the requirements of each of our major occupations and functions.

Equal Opportunity

I am pleased to be able to report that the Department continues to have a strong equal opportunity program - one which supports readiness and total defense capabilities. We are continuing to make progress in the employment of women, minorities and disabled persons. Within the DoD civilian work force, 24.5% are minorities and 36% are women. Nearly 11,000 employees (or 1.4%) are disabled persons. As mentioned earlier, we have established the Defense Equal Opportunity Council which provides a forum to coordinate and monitor implementation of equal employment policies and makes recommendations to DoD leadership on equal opportunity issues.

Contractor Personnel (A-76)

It is DoD policy to rely on the private sector when work is not required inhouse for governmental or national defense reasons. Between 1979 and 1986, approximately 56,000 military and civilian positions have been studied under the A-76 process. Approximately half of these positions were contracted out. The study process results in about 30 percent reduction in operating costs and has netted significant savings currently of approximately half-billion dollars per year. The Department anticipates that about 10,000 positions will be included in studies in FY 88 and FY 89 which is consistent with the number of positions studied during the previous several years.

Alternative Personnel Systems

The current civilian personnel management system has caused growing dissatisfaction because it stresses administrative procedures at the expense of management flexibility and opportunities to reward employee effort. Under the authority of the Civil Service Reform Act, the Department of the Navy has been conducting an experiment at two of its laboratories to demonstrate that government organizations can improve their effectiveness by developing an integrated approach to pay, performance appraisal, and position classification and by giving line managers greater control over personnel functions. Largely because of the success of Navy's experiment, the Administration developed a legislative proposal that would allow for controlled, orderly expansion of these improved personnel management concepts to other organizations throughout the Federal Government. This legislation, entitled the Civil Service Simplification Act was introduced late in the 99th Congress by Senator Stevens and Congressman Taylor. The proposal has been resubmitted by the Administration for consideration by the 100th Congress. The Department of Defense strongly supports the Civil Service Simplification Act and believes it will provide a long-range solution to the current problems of the personnel management system.

Productivity Measures

The Department of Defense is very proud of its efforts to improve the productivity and efficiency of its operations. It has been a leader in developing tools and policies which will enable our military and civilian work force to accomplish national security missions at least cost to the taxpayer. Last year President Reagan reemphasized his objective of improving our nation's productivity through the issuance of Executive Order 12552, The Productivity Improvement Program for the Federal Government. This Executive Order established a government-wide program to improve the quality, timeliness and efficiency of Federal Government services. The goal of this program is to achieve a 20 percent productivity increase in appropriate functions by 1992. In response to this call, the Secretary of Defense has submitted an ambitious management improvement program which includes productivity improvement initiatives in such diverse functions as depot maintenance, supply, administration of military personnel, family housing, and base operation support.

DoD has been a leader in developing management tools which will help us meet productivity improvement objectives. These include the Efficiency Review Process which reviews all activities to establish (1) an output-oriented statement of work, (2) the most efficient organization, and (3) processes to accomplish that work. Resource requirements are then measured in order to establish military and civilian manpower requirements.

We also operate a specific program which funds Productivity Enhancing Capital Investments (PECI). These investments support application of the most efficient methods and technologies in performing our work, and have resulted in returns of $15 for every $1 spent (as well as substantial manpower savings). The FY 88 and FY 89 budget submission for PECI contains $220 and $234 million, respectively. We seek your support of this initiative to improve operational efficiency and increase our capability.

The third set of management tools is comprised of work force motivation policies under which DoD benefits from employee contributions in achieving improved methods of doing business.

Such activities include Quality Circles, total quality programs, and Productivity Gain Sharing experiments. While the returns on these programs are difficult to quantify, statistics show that the 2,000+ DoD Quality Circles have returned over $4 in savings for every $1 invested.

The Secretary of Defense Productivity Excellence Awards recognize DoD individuals and groups whose ideas and innovations contribute to significant operational improvements. In January, the Secretary honored 60 men and women whose ideas and suggestions had achieved $1 million or more in first year savings. Their combined efforts this year yielded a total first-year savings of nearly $200 million.

DEFENSE SUPPORT FOR THE PRESIDENT'S WAR ON DRUGS

In addition to my other duties, I oversee DoD participation in the President's ongoing war on drugs. The drug scene is a deadly war which impacts throughout our society. Drug-related deaths of promising athletes have focused public attention on this major problem in the United States which has permeated all walks of life.

The following chart illustrates the portion of our national population which has admitted using drugs within 30 days of the survey. These statistics are through 1985, which was before the emergence of crack. You'll note, with the exception of cocaine, drug use was tapering off after rising in the late '70s.

Table 9 Percent National Drug Use (age 18-25)

Drug	1974	1976	1977	1979	1982	1985
Marijuana	26.0	25.5	27.5	36.0	27.5	22.0
Cocaine	3.0	2.0	3.5	9.0	6.2	7.2
Hallucinogens	2.2	1.0	1.5	4.0	1.5	1.4
Heroin	0.5	0.5	0.5	0.5	0.5	0.5

The focus of the President's war on drugs is a six-point program to achieve a drug-free workplace, drug-free schools, enhanced treatment and rehabilitation, increased public awareness and prevention, strengthened law enforcement, and interdiction and eradication of illegal drugs in foreign countries. DoD is involved in this six-point program at every level.

Drug-free Workplace. We have established and are operating an effective zero tolerance anti-drug abuse program for military personnel which has reduced the use of illicit drugs in the military by 67 percent. Of course this is not good enough and we are always working to improve the performance of our program. Now we are also beginning to apply what we have learned in the military community to our civilian employees and as a model for the rest of the federal and private sector workforce.

In April 1985, DoD published a directive regarding the civilian employees drug abuse testing program. The directive was revised and toughened in 1986 to comply with the President's Executive Order of September 1986 and the Office of Personnel Management regulations of November 1986. Department-wide implementation of the directive is expected this Spring.

Drug-free Schools. We are improving and maintaining our anti-drug abuse programs at our DoDDS schools overseas and at our Section 6 Schools here in the United States. Our effective drug prevention education and enforcement programs at our 288 schools are being strengthened and we are working with the Department of Education to develop a model schools program for use by local public schools.

Treatment and Rehabilitation. DoD has developed extensive experience in the medical field over many years to treat and rehabilitate drug users in the military. This experience is being made available to civilian agencies and medical facilities to enhance their own programs and research.

Increasing Public Awareness and Prevention. We will continue to learn more about the causes and the cures of drug abuse, and to provide this information to our troops, our civilian employees, and our children. We are helping in the effort to encourage young people to say no to illegal drugs, through an active program involving our 20,000 Service recruiters. These fine young men and women are excellent role models of the military and are spread throughout the country. They have tremendous access to the neighborhoods and schools, and are roughly the same age group as the target group we are addressing in our "Just Say No" program. These recruiters, in addition to being good role models, are presenting tape and slide shows to stress anti-drug themes during visits to campuses.

Strengthen Law Enforcement. The Anti-Drug Abuse Act of 1986 authorized DoD to provide additional support to civilian agencies involved in the war on drugs. Operation Alliance, the southwest border initiative, is a good example of this. This is a joint agency operation involving the Drug Enforcement Administration, Customs, the Immigration and Naturalization Service, and state and local law enforcement officials, supported by DoD, all working together to interdict the flow of illegal narcotics across our border.

Our response to more than 8,000 annual requests for support from law enforcement agencies is over 98 percent. Under the law, DoD is required to seek reimbursement for support it provides when substantially equivalent training cannot be obtained as a by-product of our support. I am happy to report that in nearly every instance, we are able to structure our support in such a way that we receive substantially equivalent training -- thus obviating the need for reimbursement.

For example, during 1985, over 3,000 sorties were flown, amassing over 10,000 flight hours. In 1986 our efforts increased to over 15,000 hours. The following charts show the level of DoD operational support to law enforcement agencies.

Table 10

	DoD Operational Support				
$ in Millions	FY 1983	FY 1984	FY 1985	FY 1986	FY 1987*
Direct Costs: (fuel, manpower maintenance, etc.)	6.0	18.5	54.8	69.7	72.5
Indirect Costs: (Amortized capital cost of equipment)	--	--	82.7	126.3	131.4

* projected

In addition, we have loaned to law enforcement agencies over 140 million dollars worth of equipment. Furthermore, in response to our 1987 supplemental budget request, we received 314 million dollars for procurement of additional military equipment which will be loaned. By the end of this year, we will be loaning to law enforcement agencies equipment costing over 450 million dollars, in addition to our annual operational contribution to the drug war of over 200 million dollars.

International Cooperation in Eradicating Illicit Drugs. In the recent past, we have been involved in three international operations to interdict and eradicate illicit drugs outside the territory of the United States. These are OPBAT in the Bahamas and Turks, Operation Blast Furnace in Bolivia, and the Hat Trick Operations in the Caribbean.

In support of OPBAT, the Air Force provides the quick insertion of Bahamian law enforcement teams on drug apprehension missions.

In Operation Blast Furnace, six Army Blackhawk helicopters, supported by 190 aircrew, maintenance and support personnel provided mobility assistance to Bolivian police to aid in eradicating centers of drug trafficking, drug laboratories and drug transportation networks. In this operation, we effectively shut down the processing of cocaine in Bolivia while we were there.

Hat Trick II, the largest interagency anti-narcotics operation to date was conducted from October 1985 to February 1986. Extensive Department of Defense support included over 6,000 hours of aerial surveillance, 1,097 ship days and mobile ground radar surveillance. We aided operational planning, developed an interagency voice privacy radio network and expanded intelligence support. These contributions aided in disrupting maritime and airborne drug trafficking.

This represents a new phase in international cooperation to rid our countries of the menace posed by drug trafficking. In mid-1983, the government of Peru began eradicating Coca bushes as part of the first agreement under a U.S. strategy to couple development assistance to drug enforcement and eradication programs. In mid-1984, the government of Colombia began a program to use herbicides for cannabis eradication. This precedent led Panama and Belize to follow suit in 1985. In 1981, only one country was eradicating narcotics plants; today, fourteen countries are doing so.

Conclusion. To be sure, defense of this country from foreign military threats is the number one priority of DoD. However, the threat from drugs invading the country across our borders demands our participation. We must continue the delicate balance between providing drug law enforcement assistance and maintaining our military readiness to perform national security missions.

The proper role for our military forces in the drug war is to provide support to civilian law enforcement agencies which have the training and legal competence to make arrests, searches,seizures, and prosecutions. Limiting DoD participation to a support role will avoid compromising the traditional separation of military and civilian roles.

Drug interdiction alone will not win the war on drugs. Victory requires the eradication of the source; appropriate punitive action for traffickers; treatment for the addicted; and above all, a "tough love" education program for our children.

MANPOWER OVERVIEW CONCLUSION

Secretary Weinberger recently declared that the strength and quality of our military personnel are the proudest achievement of his service as the Secretary of Defense. This point was underscored during the Secretary's testimony before the Senate Armed Services Committee on January 12 when Chairman Nunn said "Manpower is one of the most significant improvements in defense in the last 5 or 6 years." Credit for this success in attracting and retaining high quality personnel, while dramatically reducing drug use and disciplinary problems, belongs to Congress as well.

The restored volunteer force is an effective, credible, deterrent force for peace. Its superior quality, skill, motivation and discipline have been demonstrated in places like the Gulf of Sidra, Beirut, Grenada, the Achille Lauro interception, and the Tripoli raid. The competence, patriotism, dedication, and morale of the men and women of the Armed Forces are major elements of these successes. Today's All-Volunteer Force stands more ready, willing and able to defend freedom and deter aggression than ever before in peacekeeping history.

To continue to attract, train, provide for, and retain the high quality personnel that now fill the ranks, the President has submitted a budget which seeks fair and reasonable improvements in compensation and the quality of military life. We respectfully request your continued strong support.

IMPROVEMENT IN ATTITUDE OF MILITARY PERSONNEL

Chairman STENNIS. All right, Mr. Secretary. That is a good statement indeed. We just must make provision to get your message distributed and considered by the membership, and I will undertake that special assignment and am ready to consider volunteers that might help. We will get your message over.

Mr. COX. If there is anything we could do to help you, sir, we would be happy to.

Chairman STENNIS. All right. We may take you up on that.

I am just going to make a comparison here. These statements sometimes take them for granted, you know, in the departments and so forth. But we have had conditions in the country here since I came here as a new Member of this body and I was sent out by the committee, more or less alone, to check on conditions out at various installations, the attitude of the people.

I do not bring this up to reflect any discredit on anyone. We came through that crisis. It was a crisis at the time. It is well that we compare with what you have just related we have now. At some of our main military installations active at that time, I went along with some of the officers that were stationed there at this place and were personally known by these privates and PFC's and all that we met out on the pathways around the premises.

And I saw there and heard the response of those young fellows. They were not paying much respect to the commanding officers, talked back to them pretty short, and let them know that they knew something about what was going on in the country. It was bad, I thought. Conditions were severe and uncertain and it just got into the mind of these men and there was not enough discipline to resist it.

Well, I brought back a rather dreary, pessimistic report. But, basically, the country was all right and came through that. It was a long haul from conditions that I saw there and know can happen from what you have told us here this morning. I know you correctly reported the situation.

Mr. COX. We think it is a quantum difference, sir. I've had that experience myself. I was on active duty in the Marine Corps during Vietnam and stayed in the Reserves and observed those things during the 1970's, but it is different, very much different now. The quality of our force has entirely changed and I think the Congress and the administration and the people in the service have a lot to be proud of. We need to make sure that we protect it so that we do not slide back into that situation that we had 10 years ago.

Chairman STENNIS. Well, you are so right. We must not slide back into it. If we slide back into it, we may well just keep on sliding. You cannot stop. We did stop there, and I failed to mention apparently that was during the time the war in Vietnam was on and it was not going well, and of course that was a main stimulator of those conditions. But they were far worse than I expected to find or believed I would find.

CONTRIBUTION OF WOMEN

I am very much encouraged what you reported here today. Seriously, I want to mention the part you covered here about the contribution that the women are making to your organization. I am glad you could make such a report. I am encouraged by it. It shows you go for quality and that they have responded. Some of my colleagues may get tired of hearing me say that, during my public career, the biggest single thing that I have seen change was the role that women play now in carrying on our system of government and helping make it work, carrying out the purposes of freedom for all.

Mr. Cox. There is no question they help make the military system work as well, sir.

Chairman STENNIS. I have seen those changes come about. Jury service is one case. A lot of people do not notice it much, but I notice it. I am a lawyer, and practiced law a long time where you did not have ladies on a jury. They are rendering a real service as jurors. The lawyers tell me that and the officers tell me that, and I know that that is correct.

So I am glad you are getting the benefit of the contribution from them, too.

You have a good statement here and it is well put together just the way you have done it.

Senator Johnston, I know you have an interest in this subject and you are here now, and I am going to call on you in just a minute to make observations and ask questions. The Secretary has just given us a splendid summary statement. We have put his entire testimony in the record.

I will call on you. We have not adopted any time limit yet, but if others come in you will naturally yield to them. Senator Johnston.

Senator JOHNSTON. Thank you, Mr. Chairman.

EFFECTIVENESS OF ALL-VOLUNTEER FORCE

Mr. Cox, I notice that you say that a return to conscription is not indicated at this time, and you think it would cost an extra $2.5 billion, and that the All-Volunteer Force is working very well. Is that correct?

Mr. Cox. Yes, sir.

Senator JOHNSTON. Is it working well across the spectrum of skills and ranks and pay grades?

Mr. Cox. Well, sir, there are some skills in some very technical areas that of course we have trouble with, just like the private sector has trouble with manning adequately. But we are using the same kinds of incentives to try to pull people into those areas, which we think is much more cost effective than going to a universal draft—things like enlistment bonuses and other kinds of incentives, special pays, et cetera.

We are having some trouble in aircraft pilots, for example, and in nuclear-trained officers for the naval ships. In those things, we asked for some special help. But I do not think that the draft would necessarily help those in a cost efficient manner.

INCENTIVES PROGRAM SUPPORT

Senator JOHNSTON. Do you need any additional legislation with respect to nuclear officers or pilots or is it just appropriation, a special appropriation you need?

Mr. COX. No, sir. It is just a continued support of our incentive programs, the aviation career incentive pay and the same with the nuclear pay. Then the services are doing some things internally to try to encourage people to stay in those positions—like changing their assignment policies and that kind of thing.

Senator JOHNSTON. I gather from your statement that the All-Volunteer Force has never been healthier than it is today.

Mr. COX. In peacetime, yes, sir. We have just had the All-Volunteer Force since 1973. In that respect, your statement is correct.

Senator JOHNSTON. And your levels, your percentage of high school graduates for recruits, the scores for your officers are at a very high level?

Mr. COX. Yes, sir.

MORALE IN CIVILIAN SERVICE

Senator JOHNSTON. There was a piece in the Washington Post this morning on the civil service, saying that in the civilian side morale is quite low, that retention is not good, that various things would have to be done, including pay. Bureaucrat bashing has to stop, among other things that they mention.

But in light of that, if that is true, and if what you say is true, how can you justify a 4-percent pay raise for the military services and only 2 percent for the civil service?

Mr. COX. Well, sir, my responsibility is to deal with the military service. I also have responsibility for civilian employees, but I could not make the final recommendation for the administration on what the civilian employee pay will be.

The way we justify the military pay raise I summarized before you came. And it is basically our best guess at what civilian wage growth will be over the 2 fiscal years we are discussing.

Senator JOHNSTON. What?

Mr. COX. What civilian pay growth will be in the private sector, which we are trying to maintain comparability with. We now have over a 9-percent gap between military pay and comparable civilian pay, and we recognize that we cannot catch up on that gap during these constrained budget times. So we have asked the Congress for a pay raise that merely keeps pace, and with the help of OMB and the other wage growth analysts estimated that the 4 percent and the 4.3 percent are merely keeping even with that 9-percent gap.

Senator JOHNSTON. Is that at all related to your needs for retention or recruitment?

Mr. COX. Absolutely.

Senator JOHNSTON. Do you have studies that so indicate that you have got to have 4 percent?

Mr. Cox. Well, you cannot define it that closely. The recruiting and retention equation is a complex equation of many factors—the quality of life, the compensation, the reenlistment bonuses, the educational benefits. All these things are put together.

Senator Johnston. Well, obviously that is so. I did not mean to say that pay would not be related to retention and recruitment. I am saying is there any magic in having picked 4 percent as that which is necessary?

Mr. Cox. We think that if we go below the 9 percent gap that we now have that we will see some definite pulling away and a beginning of the slide that the chairman mentioned in response to me earlier.

Senator Johnston. If you reduce from 4 percent to 3 percent you would see loss?

Mr. Cox. We believe that that would create more of a gap. In other words, if you went from 4 percent down to 3 percent it would then be a 10-percent gap, and we do not feel that we can fall off any from the 9-percent gap that we now have.

Senator Johnston. That is based on what?

Mr. Cox. It is based upon our understanding. I do not have a specific study that says, for example, 0.5 percent is the right amount that we could tolerate.

Senator Johnston. That 9-percent gap, does that take into account military benefits such as CHAMPUS, retirement, VHA and other things?

Mr. Cox. The pay index that we are using is the index used by the Department of Labor. It is the best index that we can find on employee costs and we try to match it as closely as we can with the same things that are in the employment cost index, and those things in the military.

Senator Johnston. Is the answer yes or no to the question of whether it takes into consideration retirement.

Mr. Cox. Yes, it does, but we have concerns whether it matches everything precisely. We are going to try to identify precisely all the things in the civilian sector, all the fringe benefits in the civilian sector that are included in that index and how they compare to the things that are in the military pay index so that we can answer your question more precisely.

There are some things that it does not include. There are many things that it does.

Senator Johnston. If military personnel are 9 percent below the employment cost index, how far below the index are Department civilian employees?

Mr. Cox. I do not know the answer to that.

Senator Johnston. Well, you also are responsible for the Department's civilian employees?

Mr. Cox. Yes, I am, but I am not responsible for promoting their pay raise.

RECRUITMENT AND RETENTION

Senator JOHNSTON. Is there a problem with recruitment and retention of your good Department civilian employees?

Mr. COX. There is a problem. The problem primarily is in the area of the special technological skills and experience, and that is the reason we strongly support the Civil Service Simplification Act, which will give us ability to reward high producers and to give more incentive for these people to stay.

Senator JOHNSTON. Secretary Cox, the Defense Authorization Act mandated officer reductions of 1 percent in 1987, 2 percent in 1988, and 3 percent in 1989. How were these reductions allocated among the services in 1987?

Mr. COX. In 1987 we allocated the 1-percent reduction pro rata, based upon the services' officer strengths against the 1987 authorized end strength, officer end strength.

Senator JOHNSTON. Assuming the law is not changed, you will have to make a 2-percent reduction in 1988. Can you give us any idea how these reductions will be allocated among the services?

Mr. COX. I cannot give you that indication right now. As I mentioned in my statement, we allocated the 1987 reductions without knowing exactly how that would impact readiness, and the Secretary commissioned a study to try to ascertain the prioritization of these military officer requirements that have been approved in the past. Now we are trying to say even though these officers have been required, which ones are required more than others and where are we going to make the cuts.

That study, we hope, will be done by the end of this month. It will be totally completed by sometime in June. And that will give us the basis for allocating any further reductions that are required.

DEPENDENTS IN EUROPE

Senator JOHNSTON. Mr. Secretary, how many dependents do you have in Europe?

Mr. COX. How many dependents? I cannot give you a precise number. It is somewhere in the neighborhood of 323,000. That includes dependents of both DOD military and civilian personnel.

Senator JOHNSTON. And how many troops do we have?

Mr. COX. We have 326,000.

Senator JOHNSTON. And of those 326,000 how many of them are what I would call service troops, nonfront line troops?

Mr. COX. It depends upon how you define the tooth and how you define the tail. That is a very, very complicated definition. Are combat support people tooth or tail? If you are talking about combat infantry units, you get one answer. If you are including people that man the missiles you would get another answer.

So I would like to know exactly. I could give you our definition and answer your question for the record and let you see exactly what the definition is.

Senator JOHNSTON. The Nunn amendment in 1973 defines the terms of tooth and tail. Can you give the tooth and tail based upon that amendment?

Mr. COX. I would have to answer that for the record, sir.

Senator JOHNSTON. All right.

[The information follows:]

COMBAT-TO-SUPPORT RATIO IN EUROPE

The Department previously reviewed this issue as a result of the tasking contained in the Department of Defense Authorization Act, 1984. Our classified response, the "DOD Report on the Combat-to-Support Ratio of United States Forces in Europe," was forwarded to the Committee on Armed Services in July 1984 and was the product of nearly 10 months of effort on the part of the services and contractor personnel. It contains tabulations of the various service combat-to-support ratios, derived from applying the Nunn admendment definitions, for the years 1974 through 1985.

The definition of combat components used in the Nunn amendment to Public Law 93-365 does not consider the division as the basic Army combat unit, nor does it recognize other Army units that perform combat missions, such as those responsible for chemical decontamination and detection, combat electronic warfare, and military police. Navy ratios fluctuate because of the nature of battle group deployment and contingency operations in effect on the last day of the fiscal year when actual data are reported. Clearly, the resultant ratio of combat-to-support will not accurately reflect the proportion of units that would likely engage with an enemy.

PEACETIME/WARTIME PERSONNEL REQUIREMENTS

Senator JOHNSTON. Can you give me an approximation, let us say, of the difference between peacetime and wartime—that is dependents and nondependents? How many of those 326,000 would not be required if they were, say, on a wartime status?

Mr. COX. How many of the dependents?

Senator JOHNSTON. How many of the 326,000 troops?

Mr. COX. Would not be required if we went to war?

Senator JOHNSTON. Yes. Do you know that?

Mr. COX. I would guess that all of them would be required if we went to war. In fact, our plans require us to send more.

Senator JOHNSTON. Well, I mean how many of them would be in a different status. Obviously there are some of them that are running PX's and doing that kind of thing and would not be required in wartime. How many in a combatant status?

Mr. COX. I would have to answer that for the record, but we can do it for you.

Senator JOHNSTON. OK.

[The information follows:]

STRUCTURE OF FORCES

Our forces are structured in consonance with the total force policy, which requires the services to maintain their uniformed strength at the minimum essential numbers necessary to carry out their wartime missions. Personnel whose peacetime duties would seem nonessential, or not directly related to combat, are assigned wartime tasks such as military police, chemical shelter management, runway repair, and base ground defense.

Attempts to label certain categories of troops as "nonessential" obscures the absolute necessity for units, farther removed from the front lines, whose missions are to ensure that combat units are as efficient as possible for as long as necessary. No support or overhead or tail resources are programmed which are not needed, directly or indirectly, for that task.

474TH TACTICAL FIGHTER WING

Senator JOHNSTON. Thank you, Mr. Chairman.

Chairman STENNIS. Thank you, Senator.

Senator Sasser, we are not strictly enforcing the time. We are running under a general 10-minute rule.

Senator SASSER. Well, thank you very much, Mr. Chairman.

Before beginning my questioning, Mr. Chairman, there are two questions that I have been requested to ask by Senator Reid of Mr. Cox.

Mr. Cox, this is Senator Reid's question: With the Soviets currently enjoying a strong advantage in conventional forces and with the long-term plans to increase our tactical fighter force to 40 wings, do you believe it is in our best interest from a national defense viewpoint to deactivate the 474th Tactical Fighter Wing at this time?

Mr. COX. The only way I can answer that question is to put it in the context of the budget constraints. We certainly would like to get to the 40 wings and be there today. But when we are faced with budget constraints we have to try to balance how we use the resources that are available to us. And so we have decided that this is one of the things that we have to shave a little bit in order to make sure that we continue to have a balanced force.

Senator SASSER. What will be the impact of this deactivation on our end strengths?

Mr. COX. It does have some temporary impact upon end strengths. I think the Air Force is reducing its end strength request this year by about 8,000. But over the long term there will be additional people requested, and for the next 2 or 3 years, I guess, the net change in the Air Force end strength will be about level.

Senator SASSER. Mr. Cox, that is the end of Senator Reid's questions, Mr. Chairman. I am going to ask my own questions now.

Chairman STENNIS. Certainly.

DEPENDENTS IN EUROPE

Senator SASSER. Let me just make an observation for the record. A moment ago when Senator Johnston was inquiring about the number of dependents in Europe and you responded that we had 323,000 military dependents in Europe, I was once again struck by the enormous amount of dependents that we have in Europe. I have been concerned for a number of years, and I think the chairman in years past might have expressed some concern about this.

It appears to me that many of our troops there, in the event of conflict, are going to be as concerned about what happens to their dependents and getting their dependents out as they are in prosecuting an active resistance to the aggressor forces that I assume would be the Soviet Union in this case.

I continue to think it is probably not good policy for the United States to maintain over a quarter of a million military dependents in Europe. Do you have any comment to make about that?

Mr. Cox. Well, there are several different levels of the response to it. One is maintaining the quality of life to encourage people, the quality people, to come into the force and stay in the force. One of the important factors of that quality of life is to permit our high quality people now, who are highly educated people or at least they are much more highly educated than they were 10 years ago, they have much more of the mainstream cultural desires of the rest of us, and they want to have families and they do have families.

So part of that quality of life is permitting them to spend as much time in a normal environment as they can, given the fact that they do have to make sacrifices.

Senator Sasser. Well, following that scenario, should we start putting dependents on the aircraft carriers that are operating?

Mr. Cox. No, sir. I am not talking about deployed people. I am talking about people who are in a ready alert posture but are not yet deployed. And the people in Europe are not considered to be deployed. If there were an increase of tensions, we have plans to move people out of the theater during the increase of tensions.

Senator Sasser. Well, I certainly hope, Mr. Cox, that we will have time in the event of conflict in Europe to evacuate all of those dependents. That certainly appears to me to be a massive undertaking to bring back a quarter of a million dependents out of Europe. And I quite frankly doubt that that time would be available.

I have made my views known on that before, and I think perhaps the chairman has too on previous times.

GI BILL

The new GI bill expires in the fourth quarter of 1988, and my understanding is that the administration proposes to make the GI bill permanent but to change the program. The administration would reduce benefits and have the Defense Department pay the bill instead of the Veterans Administration. Now, can you explain the administration's proposal in detail at this time?

Mr. Cox. I will try my best, sir.

Senator Sasser. All right.

Mr. Cox. The administration's position is that we support making the GI bill permanent on the basis that it is a very valid and effective recruiting tool. Based upon that justification we in the Department of Defense have been directed to modify the benefit to make it sensitive to its incentive purposes.

There are people in the Congress and in other places who believe that the GI bill has two legitimate purposes. One is as a recruiting tool. The other is a societal benefit; it provides a readjustment for people going from military back to civilian life. It also provides an infusion in the society of people that become educated who also have military experience and concerns about national security interests.

Those people who are advocating the societal benefit aspect of the GI bill would have the GI bill remain the same, and they would have the Department of Defense continue to fund what we are now funding, which is the recruiting incentive portion of the bill, and have the Veterans Administration fund the societal benefit, which is called the basic benefit.

Senator SASSER. Why shouldn't the Veterans Administration fund it? In other words, those who are veterans are those who come through the Department of Defense and after their discharge they are veterans. And if you put the whole cost of funding the GI bill in the Department of Defense, you and I know what is going to happen there.

When DOD brings up their budget every year and that is rolled into the whole DOD budget, then people are going to view that as part of defense spending and when we start complaining about the extent of defense spending in the budget, why the GI bill is going to be in there. I would like to see the actual expenditures for manpower and procurement only in the defense budget and not what I would deem extracurricular expenditures such as the GI bill.

Do you disagree with that, Mr. Cox?

Mr. COX. The administration's position is that to the extent that it is a recruiting benefit the Department of Defense should fund it. I agree with that. To the extent that it is a recruiting benefit, we should fund it, and we have been funding it and will.

If the Congress decides that there is another purpose to be served by the GI bill in a long-term way, then it is up to the Congress to decide where that purpose should be funded.

Senator SASSER. In what way does the administration cut the benefits in the GI bill?

Mr. COX. What it does is it takes the basic benefit which is given to members who just come in and serve for a certain period of time and modifies it so that it is varied depending upon the length of time they serve. In other words, you would get more of an education benefit if you serve a longer term of enlistment.

In other words, we would try to encourage people through the educational benefit to serve longer terms of service. So it is graduated. A 2-year enlistment gets less of an educational benefit than a 4- or 6-year enlistment.

Senator SASSER. Mr. Chairman, I have some questions here that are being propounded for the record by Senator Robert Byrd, and I will ask that they be included in the record and request that Mr. Cox answer them in an expeditious manner.

Chairman STENNIS. Very well. Is there objection? The Chair hears none, and it is so ordered that the questions may be placed in the record for answering later by the witness.

Mr. COX. We would be happy to do that, sir.

Senator SASSER. Also, Mr. Chairman, I have a similar request from Senator Hollings, questions from Senator Hollings, that he would like included in the record and request an expeditious response.

Chairman STENNIS. All right. The same rule would apply to that as the ones heretofore.

Senator SASSER. Mr. Chairman, one more.

Chairman STENNIS. Excuse me just a minute. Another set of questions has been admitted to the record. You will give them your personal attention, right?

Mr. COX. We will be happy to answer them.

Senator SASSER. Mr. Chairman, I am everybody's messenger boy today. I have got another set of questions from Senator DeConcini that he would like included in the record and requests an expeditious response.

Chairman STENNIS. Well, I am glad the Senator brought the questions along. That is one way of reaching the Members because they are doubled up all over Capitol Hill this morning.

Senator SASSER. We sure are this morning. Thank you, Mr. Chairman.

Chairman STENNIS. Without objection they will be admitted to the record and we appreciate the attitude of the Secretary to being willing to give them his further attention for the answers in the record.

PERSONNEL IN WESTERN EUROPE

Let me say this to the Senator from Tennessee. He is making some headway here. He is making some good points about the number, the size of the numbers in Western Europe. I think it has got to be given more attention. I remember when those things arose—and I am strong for NATO, but I remember that question came up when we were considering the matter, and we had a witness on the stand. He was a considerable fellow in military and other matters, too. His name was Eisenhower, Dwight D. Eisenhower, later President of the United States.

And he backed NATO very strongly, and I think his support made the difference. If we had not formed that body I think Western Europe would be in the hands of some kind of communism by now and long ago.

But on the question here about the dependents, the great numbers of them, he contemplated that there would be very few. I do not know that those were his exact words, but he did not contemplate any great number of them. And it is a problem for you, but certainly can be overdone, and I put my belief on the side of proceeding with caution and not let this thing run away.

I have a few questions here. Do you have an emergency somewhere?

Senator SASSER. No, Mr. Chairman. I had finished my questions.

Chairman STENNIS. Do you have some more?

Senator JOHNSTON. I have a few more, Mr. Chairman.

Chairman STENNIS. I will yield to you and then I will finish.

Senator JOHNSTON. Thank you very much, Mr. Chairman.

Mr. Cox, again on this NATO question, I understand that there are another 42,000 civilian employees in Europe that are not included in this 326,000 military/323,000 dependents figure.

Mr. Cox. That is right.

Senator JOHNSTON. And those 42,000 civilian employees also have dependents, do they not?

Mr. Cox. Some of them do, yes, sir.

Senator JOHNSTON. Do we know what the cost of those dependents are? Do you have them especially broken out?

Mr. Cox. We can do that for you.

Senator JOHNSTON. I would appreciate that for the record.

[The information follows:]

CIVILIAN DEPENDENTS IN EUROPE

Dependents of U.S. civilian employees are accounted for separately from military dependents. For fiscal year 1986, there were 29,356 dependents of U.S. civilian employees in foreign countries. The Department of Defense does not track the costs of these dependents.

SHORTENING TOURS OF DUTY

Senator JOHNSTON. I wonder, Mr. Cox, and I understand the importance of having dependents in Europe. I was an officer in Europe with dependents there at one time myself, and I understand the importance of it, particularly if you have tours of duty that are 3 years, as in my case. That is a long time to be away from your dependents, and you simply must have them there.

But I wonder if any studies have been done with respect to shortening the tours: Let us suppose you had a 1-year tour and had, say, midway in that tour a month vacation with transportation provided back to the States. It seems to me that would be much cheaper and moralewise it would be—after all, this would not be a longer tour than some of the submariners or some of the surface ship people would take at the present time. How long are they on now?

Mr. Cox. Well, the people that are deployed usually do not deploy for longer than 6 months, unless there is a crisis. And those people, of course, are without dependents. They are aboard the carriers, or they are marines that are deployed in amphibious units, or they are air force people that are deployed in tactical units. Those people do not have their dependents, but typically do not deploy for longer than 6 months.

It may be counterintuitive, but our studies have shown that the way to deal with the cost is to extend the tours and keep people together longer than to shorten the tours. The one way that you suggest does help on the cost if you get the tours short enough where you do not have any families and you just go on deployment. But those kinds of short tours do not accommodate the kinds of things that we are doing in Europe. The turbulence is so great in the infrastructure and the support functions that are being done over there.

Senator JOHNSTON. Well, have you done studies on that?

Mr. Cox. I cannot say we have done a comprehensive study of your point, but we can collect the things we have done and give you the summaries of those and we would be happy to do a comprehensive study.

Senator JOHNSTON. I mean, I know the cost of sending dependents and shipping their cars and household goods and all of that is a tremendous logistical problem.

Mr. COX. But if it only happens once in 4 years, it may not be as costly as doing this every 6 months for rotating in and out.

Senator JOHNSTON. Well, if you do the same thing, I mean, if you were shipping over 300,000 dependents and you have got 42,000 civilian employees with all their dependents——

Mr. COX. No, I am not talking about doing the same thing. I am saying doing what you would have to do for someone going on a 6-month change of station eight times may be and probably is more expensive than doing it for one person and doing all the other things, which include shipping his dependents, et cetera.

Senator JOHNSTON. Well, really what I had in mind was a 1-year tour with a vacation or leave, say for 30 days or whatever, provided in the middle. I mean, some of those supersaver fares are quite cheap.

Mr. COX. I understand your question and I would like to address it in more detail for the record.

Senator JOHNSTON. Would you do that?

[The information follows:]

UNACCOMPANIED TOUR ROTATIONS

The Department was directed to conduct a feasibility study concerning shorter unaccompanied tour rotations to address the conflicting objectives of permanent change of station (PCS) costs, number of dependents overseas, and retention. Both the Army and the Air Force studied this question from the perspective of their Military Departments. They examined the proposal from a readiness and training cost standpoint, as well as the potential morale and retention impact. As noted in their review of this issue, the success of the Marine Corps' six-month unit deployment program is largely attributable to the 4 to 1 ratio of CONUS-to-overseas basing, which allows units to rotate once every 24 months for a six-month temporary duty (TDY). This provides the Marine Corps with a balance between familiy stability and family separation, while at the same time reducing PCS cost. It is significant to note that both the Army and the Air Force do not have the CONUS sustaining base to achieve this balance and have a much lower ratio -- currently less than 2 to 1. The Department, in its report to the Congress in the 1986 DoD Permanent Change of Station program study, concluded that a six-month rotation policy for ground and air combat units would not improve readinesss or reduce cost. A copy of the report from the DoD PCS study pertaining to the rotation of ground and air combat units to Europe and the Pacific is attached:

DEPARTMENT
OF DEFENSE'S

PERMANENT CHANGE OF STATION PROGRAM

REPORT TO CONGRESS 1986

CHAPTER FOUR

ROTATION OF GROUND AND AIR COMBAT UNITS TO EUROPE AND THE PACIFIC

CONGRESSIONAL CONCERNS

"Notwithstanding the committee's emphasis on reducing the number of PCS moves by lengthening selected tour lengths, the committee believes that increasing certain types of moves and shortening certain tour lengths may have merit from the standpoint of increasing combat readiness. Specifically, the committee is interested in exploring the benefits and drawbacks associated with increasing the number of short, unaccompanied unit rotations overseas."

"The expanding number of Army and Air Force dependents that accompany military personnel stationed in Europe and in the Far East is a trend that the committee views with concern. The Air Force alone has over 93,000 dependents in Europe and 33,000 in the Pacific. Army dependents in both regions far exceed those of the Air Force."

"The logistical problems associated with an effort to evacuate dependents during a crisis are considerable. In addition, military personnel caught up in such crisis could be distracted from their primary combat missions out of concern for the safe evacuation of family members. Finally, the increasing number of dependents overseas has a significant budgetary impact not only in terms of PCS resources, but also in terms of family housing, schools, and other dependent-related expenditures."

"On the other hand, long separations from family have demonstrated adverse impacts on morale and retention. The committee observed this phenomenon in the late 1970's and responded by providing junior enlisted travel benefits -- a program that substantially improved the morale and retention of junior enlisted personnel assigned overseas. The initiatives, though on the whole, highly beneficial, increased the incentive to select accompanied tours overseas."

"Rotating more ground and air combat units to Europe and the Far East on six-month unaccompanied tours is one way to address the conflicting objectives of costs, number of dependents overseas, and retention. The benefits of such an approach could include: greater stability for dependents, providing soldiers and airmen more realistic combat training, familiarizing more soldiers and airmen with areas where they would probably fight in a crisis, providing more units with unit-deployment experience, and increasing unit cohesion."

> "Although the committee realizes that increased PCS costs may result from the adoption of such a unit rotation policy, the committee believes that reductions in the cost of the dependent "tail" might offset these increases."
>
> "The committee directs the Secretary of Defense to submit a report to the Committees on Armed Services of the Senate and the House of Representatives no later than March 15, 1986, on the feasibility of rotating combat battalions and squadrons to Europe and the Pacific on six-month unaccompanied tours. The report should address costs and benefits of such a program and should take into account operations, security, and economic considerations as well as the plan's impact on morale and welfare."[1]

STUDY APPROACH

While the missions of the Army and the Air Force are interrelated, the dynamics associated with meeting their operational requirements are distinctly different. As such, the congressional proposal will be separately reviewed from the perspective of both the Departments of the Army and the Air Force. In this review the approach to be used will be to examine the proposal from readiness and training, cost, and other important intangible factors, such as potential morale and retention impacts. A six-month rotation will be assumed because that tour length was directed by the Congress.

The assumptions made that affect this particular review are:

- Both the Army and the Air Force will remain an all volunteer force.
- Strength levels will not increase to support six-month unaccompanied rotation of personnel.
- Troop strength ceilings in Europe and the Pacific will not be increased.
- Rotation will remain compatible with the Army's New Manning System consisting of the COHORT (Cohesion, Operations, Readiness, and Training) Unit Movement System and the Army Regimental System.
- Ground combat units will include infantry, armor and

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[1] U.S. Cong., H.R. 99-81, pp. 222-223.

field artillery battalions. All other Army units will continue with existing tour policies.

- Air Force maintenance and operations squadrons will be rotated under the six-month unaccompanied tour policy. Wing-level and higher units would continue with current tour policies.

- Unit equipment for Army units will remain at the overseas location.

- Air Force flying units will deploy to and from the overseas areas with their aircraft. Maintenance units will transfer maintenance equipment.

- Marine Corps uses a six-month TDY unit deployment program which has been very effective in their reducing PCS costs and increasing family stability.

SECTION A: ROTATION OF GROUND COMBAT UNITS

BACKGROUND

Historical Rotation Precedents

Pre-World War I Depot Battalions (1899-1912). The end of the Spanish-American war found U.S. Army troops in such overseas locations as Cuba, Puerto Rico and the Philippines Islands. Within a year after the war (1899), each of the regiments stationed in Cuba designated one to three battalions as a depot battalion. Regimental personnel who were ill, ineffective or about to be discharged were assigned to this battalion, which was moved back to the United States. The depot battalion would then remain in the CONUS for a year, during which time it would be brought up to strength through enlistments and returned to foreign service. It was replaced by a second depot battalion. In this way, the individual soldier spent approximately two of his three-year enlistment in Cuba. This system was soon adopted by U.S. Army units in both Puerto Rico and the Philippines Islands. The U.S. Army followed this unit rotation system until 1910 when budgetary limitations made it necessary to send personnel overseas with their units with only four months service remaining. This practice made it easier to prepare the regiments for overseas service, but it resulted in more personnel becoming eligible for discharge while on foreign service. As a consequence, in 1912 an individual replacement system was developed and found to be completely satisfactory.

World War I Unit Rotation (1917-1918). The replacement system used in World War I was predominately an individual replacement system, although two divisions did receive several replacement battalions. From May 1, 1918 to the end of the war over 300,000 replacements were provided by this system. One replacement or depot division provided individual replacements for every two American combat divisions at the front. These replacement divisions were trained and deployed as combat divisions and were organized to receive and pass on 1,500 soldiers per month. By the early fall in 1918, the American Expeditionary Force (AEF) suggested that divisions still in the CONUS be stripped to provide needed replacements immediately. A unit replacement system was not employed during the war.

World War II Unit Rotation (1944-1945). As in World War I and the interim period between the two wars, the replacement system used during World War II was primarily as individual replacement system. However, several trained combat divisions were stripped in France to provide replacements and only a few units were assigned intact. During the first 6 months after the invasion of Normandy, about 1,300 packages containing 250 personnel and subdivided into platoons and squads commanded by officers and noncommissioned officers were sent to specified corps and divisions based upon casualty experience gained in the earlier North African campaigns. These packages, later called reinforcement companies, were not committed as units but functioned as carrier units until their personnel were reassigned individually to their gaining units. In March 1945, as the war was drawing to an end in Europe, the reinforcement companies were reduced to 200 personnel organized into 4 platoons, 16 squads, and 48 groups of 4 men each. An effort was made to keep the 4-man groups intact from the time they left the replacement training center until they joined their combat unit. While this plan worked reasonably well, local commanders frequently had to break up the teams in order to meet local battle conditions. In summary, the only period prior to 1946 during which a unit rotation system was used for overseas replacement was 1899 to 1912. This system was abandoned when manpower and monetary conditions created unacceptable personnel turbulence preparing units for foreign service. Since 1912, the principal overseas replacement system had been an individual replacement system with minor variations.

Platoon Experiment (1953-1955). The first post-World War II unit rotation experiment involved the training, processing, and movement of entire platoons overseas. In August 1954, USAREUR informed the Department of the Army that the experiment was effective; however, the Department of the Army dropped the experiment due to its lack of flexibility.

GYROSCOPE (1955-1959). Operation GYROSCOPE was implemented on July 1, 1955 and represented the most ambitious unit rotation scheme ever undertaken by the U.S. Army. During its four years of existence, overseas combat units, ranging in size from company to division, were rotated with similar units stationed in the CONUS. Whenever possible, Service members were accompanied by their families. Three major benefits were expected: higher morale; increased combat effectiveness; and a reduction in support facility costs. The program was discontinued on September 1, 1959, after numerous exchanges of units, primarily in USAREUR, indicated the expected benefits would not be realized. The combat readiness of GYROSCOPE units fluctuated markedly during the overseas tour, particularly during three well-defined periods. Upon arrival, the unit had to undergo a period of orientation and adjustment before it was able to operate in an effective manner. The units were largely made up of selective service personnel. There was a drop in combat readiness, when the mid-term replacement packets were received. The third period of lowered readiness took place about the thirty-third month of the normal 36-month tour due to mandatory reassignments, preparation and departure of the return advance party, and the necessary preparations of the unit for its imminent departure. There was improvement in morale but no reduction in support costs and dependent expenditures. The program was canceled in 1959 due to its ever increasing costs.

Overseas Unit Replacement Plan. The Overseas Unit Replacement Plan (OVUREP) was designed by the Department of the Army to take full advantage of the two-year duty tours of selective personnel. The first year of service would be devoted to training and preparation while the second year would be spent in Korea. The system was expected to reduce personnel turbulence, reduce transportation costs, and to promote morale and esprit through sustained identification with a particular unit. The first such unit organized was the 1st Battle Group, 11th Infantry, 2d Infantry Division, Fort Benning, Georgia. This unit had a tailored cadre and was filled with nonprior service personnel. After completing its unit training, the battle group deployed to Korea in March 1961 where it became the 2d Battle Group, 3d Infantry, 7th Infantry Division. A total of seven battle groups (three from the 1st Infantry Division and four from the 2d Infantry Division) were processed and moved to Korea. After action reports indicated that the OVUREP had met all expectations. It should be noted that this program featured the movement of a battle group, unaccompanied by dependents, utilizing in the main selective service personnel for a 12-month tour to what could be characterized as a combat zone. The principal enabling factor in OVUREP was the availability of selective service personnel which ceased with the end of the draft on June 30, 1973.

LONG THRUST (1961-1964). LONG THRUST was more a test of the strategic mobility of ground forces employing long-range assets of the U.S. Air Force. Three battle groups were used both to exercise selected items of the stocks in the Prepositioned Materiel Configured to Unit Sets, and to provide a temporary augmentation of two battle groups for USAREUR following the Berlin Wall crisis of 1961. Operation LONG THRUST was implemented on January 16, 1962. The plan called for the strategic airlift of three battle groups from the CONUS to Europe, the issue of appropriate prepositioned stocks, and subsequent overland movement to Hohenfels, Germany, a USAREUR major training area, for a five-day field exercise. One group would then return its equipment and redeploy to its home station in the United States. One battle group would replace the augmentation battle group in Berlin, which had moved there on August 19-20, 1961 during the crisis to reinforce the American garrison. The remaining battle group would move to a temporary station and conduct normal training. The initial phase was completed 6 February and the redeployment brigade moved back to the CONUS during the period February 12-17, 1962. These units were deployed without dependents on a 90-day TDY basis. During the remainder of 1962 and 1963, seven additional exercises were conducted. Units engaged in these exercise reduced the amount of time required to draw prepositioned stocks from ten to two days. Operation LONG THRUST was terminated in 1964 due to excessive costs and reduced unit readiness.

ROTAPLAN (1962-1964). During 1962-1964 another unit rotation scheme, ROTAPLAN, was put into effect in the same areas. This latter plan was prompted by the efforts of the Administration to reduce both the outflow of gold and the rapidly escalating deficit balance-of-payments problems. This was due to American tourist expenditures and private investment in Western Europe and not by service support costs and the purchases of individual Service members and their dependents. Nevertheless, the plan was approved by the Department on June 18, 1962, put into operation on October 15, 1962. It provided for the redeployment from Europe of three battle groups along with dependents, to be replaced by three battle groups from the CONUS without dependents. The battle groups from the CONUS were scheduled to serve six months in USAREUR, then be relieved by similar replacement units from the CONUS also unaccompanied by dependents. After two successive rotations, ROTAPLAN was canceled on August 3, 1963 for two reasons. First, the execution of the plan concurrent with Operation LONG THRUST had lead to excessive personnel turbulence and an unacceptable downgrading of readiness among the sustainment units. Second, ROTAPLAN failed in its objective to help reduce the outflow of gold. In fact, ROTAPLAN added an additional $146,800 to the deficit balance of payments. There were two underlying reasons for this latter development. A number of unsponsored families traveled to Europe and lived on the local economy at their own expense. Finally, unaccompanied personnel spent a higher percentage of their income on the local economy than did personnel living with their families.

Brigade 75/Brigade 76 Rotations (1975-1979). This rotation concept consisted of both rotations of six-month unaccompanied TDY tours for ground combat units and unit rotation of normal overseas PCS tours for Brigade Headquarters and the Support battalion. The Brigade Headquarters and the Support Battalion received replacement from the existing individual rotation system.

The overriding consideration in mounting Brigade 75 and Brigade 76 was the Army's determination to increase its combat capability in Europe in the face of the growing Soviet ground threat and, through conversion to combat spaces as defined in the Nunn Amendment, to preserve the 12,000 combat service support spaces in USAREUR it otherwise would have lost by June 30, 1976.

The nine deployments of Brigade 75 (March 1975 through February 1979) and the two deployments of Brigade 76 (March 1976 through October 1976) were accomplished efficiently and on time. No major move problems were reported by participating Brigade 75 and 76 unit commanders. The U.S. Readiness Command hosted the necessary transportation planning conferences and directed the actual movements. The Military Airlift Command moved the brigades using a combination of organic military and commercially-chartered aircraft from their various points of origin to their respective overseas destinations without incident. U.S. Army Europe had the major responsibility for the redeployment mission. During the course of Brigade 75 and Brigade 76 deployments, U.S. Army Forces Command (FORSCOM) provided, and the Military Airlift Command transported, 35,848 military personnel. Of this number, 27,088 were assigned to Brigade 75, with 3,873 moving in a permanent status and 23,215 in a TDY status. Brigade 76 moves consisted of 8,760 Service members, 4,633 of whom were transported in a permanent status and 4,127 in a TDY status.

The Brigade 75 and Brigade 76 rotations ended in February 1979 with the last rotation of a combat battalion. The last move was a long-tour unit PCS vice 179-day TDY tour.

Current Rotations

REFORGER (1969-Present). REFORGER (Redeployment of Forces to Germany) started as a military deployment exercise. It involved U.S. Army and Air Force units dual-based in the CONUS and Europe, and was implemented in January and February 1969. The purpose of the exercises are to evaluate and refine techniques for the deployment of U.S. forces committed to the North Atlantic Treaty Organization (NATO). Currently during an annual winter exercise, major combat forces deploy to USAREUR to participate in maneuvers with other units from the United States and NATO member countries.

COHORT Unit Movement System (1981-Present). COHORT fosters a stable environment which provides increased commitment to mission and readiness, soldier bonding, improved training, and a greater sense of esprit de corps. Soldiers and their leaders are kept together in the same unit for longer periods of time. COHORT started with a model designed to stabilize soldiers together in companies and batteries for three years, half of this time at a CONUS location, the other half in Europe. At the end of this three-year period, the units disestablish and are replaced by like-type units. As the Army increased the number of COHORT companies and batteries rotating to Europe, the expanding presence of COHORT units has significantly enhanced combat readiness. However, USAREUR encountered difficulty in absorbing the increased number of soldiers coming from disestablished COHORT units who still had 18 months of obligated military service. The Army implemented COHORT Battalion Rotation as a test program in 1984 to eliminate the strength management problem. Currently, eight COHORT battalions (four infantry, two field artillery and two armor) will rotate and exchange places between Stateside and European locations in the summer of 1986.

A variation of this model was implemented for rotation of COHORT companies and batteries to Korea with two years in the CONUS, one year in Korea. Unit rotation to Korea has positive cohesive effect if the unit is stabilized and given sufficient development and training time prior to deployment. Feedback from 12-month company level COHORT rotation to Korea validates sought after improvements in unit cohesiveness.

Multinational Force and Observers (1982-Present). This rotation consists of rotating for 179 days an infantry battalion to the Sinai as the U.S. component to the Multinational Peacekeeping Force and Cbservers (MFO). To date battalions of the 82d Airborne Division, 101st Airborne Division (Air Assault) and 9th Motorized Division have participated in these rotations.

READINESS

Mission Accomplishment

Force Structure. The rotation of ground combat units from the CONUS to Europe and the Pacific on six-month rotations is based upon the number of available CONUS-based combat battalions and the assigned missions. Ideally, the best case situation would afford a battalion a minimum of 36 months in the CONUS between rotations. The length of this interval has a direct impact on soldier morale and retention, and an indirect impact on unit readiness. An 36-month CONUS interval would require a 6:1 ratio of CONUS-to-overseas Modified Table of Organization and Equipment (MTOE) compatible battalions.

The current force structure cannot support more than a 1:1 ratio of CONUS-to-overseas combat battalions (Table 4-1). Five of the six CONUS-based Heavy Divisions, have either a forward deployed brigade or Reserve component round-out brigade accounting for one-third of its combat battalions. Few of the CONUS-based Infantry battalions have MTOE compatible battalions overseas.

TABLE 4-1

ACTIVE COMPONENT COMBAT BATTALIONS BY TYPE AND MACOM ASSIGNMENT*

(AS OF 16 OCTOBER 1985)

	ARMOR	MECH INF	STANDARD INF	LIGHT INF	AIR ASLT INF	AIRBORNE INF	MOTOR. INF	FA 105T	FA 155T	FA 155 SP	FA 155/8"	FA 8"	FA CORPS
FORSCOM (CONUS)													11
1 CD (-)***	4	2								2		1	
2 CD (-)**	4	2								2		1	
1 MX (-)**	4	2								2		1	
4 MX	5	4								3		1	
5 MX (-)***	3	3								2		1	
24 MX (-)***	3	3								2		1	
82 ABN	1					9		3					
101 AIR ASLT					9			3					
7 LID				9				3					
9 MTZD	1	1					7		3		1		
194 BDE	2	1								1			
197 BDE	1	2											
TOTAL	28	20	0	9	9	9	7	9	3	14	1	6	11
OCONUS													22
USAREUR													
1 AD	6	4								3		1	
3 AD	6	4								3		1	
3 MX	5	5								3		1	
8 MX	5	5								3		1	
1 MX 9FWD)	1	2								1			
2 AD (FWD)	1	2								1			
ITALY						1							
BERLIN BDE			3										
USAREUR TOTAL	24	22	3	0	0	1	0	0	0	14	0	4	22
PACIFIC													
2 ID	2	2	3						3		1		
25 ID***			6						2		1		
OTHER***													
172 BDE (ALASKA)				3				1					
193 BDE (PANAMA)				1		1							

* Does not include training battalions, ACRs, Divisional Cavalry Squadroms, Artillery Bdes/Gps, or RC battalions.
** Unit has a brigade forward deployed in USAREUR
*** Unit has an RC round-out brigade.
**** FORSCOM units deployed OCONUS.

Equipment. The U.S. Army's current policy is to field equipment on a "first to fight" basis. To ensure rotating battalions were similarly equipped, changes to fielding plans would require simultaneous fielding of battalion equipment sets in both the CONUS and overseas. Thus, the current fielding policy would be changed from "first to fight" to a policy which supported the unit rotation plan.

Impact on Unit Readiness. The impact on readiness is not limited to the rotational period nor is it limited solely to the rotational units. The rotation of all participating battalions would require predeployment, deployment, post-deployment, operational, pre-redeployment, redeployment and post-redeployment phases. All phases except the operational phase are essentially housekeeping, nontraining related activities (e.g., movement preparation, equipment turn-in) during which time combat readiness is other than first priority. The entire cycle from predeployment through post-redeployment will require up to eight months. Due to personnel on leave, FORSCOM battalions in predeployment and post-deployment phases would have a reduced capability to deploy on short notice in reaction to real world contingencies (e.g., M-10 force requirements).

The overall readiness of deploying battalions would be high due in part to their resource and training priorities. During the Brigade 75/76 rotation, personnel readiness suffered due to priority of fill for the deploying units. This resulted in personnel shortages and causing inequitable distribution. Additionally, personnel turbulence increased as nondeploying battalions were forced to provide an additional share of levies and transfers. The nondeploying battalions lost training priorities and resources to the deploying battalions. If the six-month unaccompanied rotation policy were adopted, safeguards must be established to prevent the decrease of personnel and training readiness for nondeploying units.

Six-month combat arms unit rotations to Korea would have serious negative impact on the ability to accomplish assigned missions. Present 12-month unaccompanied tour policy is adequate in allowing units to maintain readiness and cohesiveness. Forward deployed posture of the 2d Infantry Division (2ID) and unpredictability of North Korean actions make it inadvisable to further reduce tour lengths. Time required to familiarize units with the mission and terrain is increased under unit rotation concepts due to lack of overlap and continuity among unit members. Six-month rotations would result in a constant stream of combat arms units that depart Korea just at the point when they have reached full terrain and mission orientation.

Impact on Ability to Execute OPLANS. The mission of FORSCOM requires CONUS units to support multiple operation plans (OPLANS) and world-wide contingencies. The focus for rotating units would be concentrated on their deployed location, e.g., Europe and Korea. This limits the time and emphasis units have to prepare for and participate in the support of multiple contingencies training such as Bright Star and other joint exercises outside Europe or Korea.

Some units have geographic unique missions such as in Italy the Southern European Task Force (SETAF) airborne battalion's Allied Mobile Force mission, and the city defense mission for the battalions in the Berlin Brigade. These missions increase the training burden for rotating units.

Realistic Combat Training

Increased cohesion resulting from deployment stabilization as well as priority of training time and resources will increase training and readiness of deploying battalions. Training data collected by U.S. Army Training and Doctrine Command (TRADOC) Combined Arms Testing Activity (TCATA) during New Manning Systems (NMS) COHORT company evaluation show that combat companies deploying overseas from the CONUS have reduced unit training during the predeployment and deployment phases due to administrative and individual deployment training tasks. Similar findings are projected for the deployment of combat battalions.

Turbulence caused by rotation of battalions from FORSCOM will cause collateral training readiness impact on Reserve Component (RC) units. The extent of affiliation training program provided to RC combat units would be reduced due to Active Component (AC) unit rotations. Annually, two AC battalions would support one RC battalion.

Deploying battalions would have to complete many major gunnery and large scale maneuver exercises in the CONUS due to limited training facilities in USAREUR. Currently USAREUR battalions receive 16 days maneuver training at the Hohenfels training area. Hoenfels is the only training area in VII Army Training Center (ATC) available for battalion maneuver training. Doubling the number of battalions would reduce training days by one-half while doubling the associated rail movement costs to the manuever training area. Deployment to Korea and assumption of a forward deployed unit mission with the 2d ID would be excellent peacetime training and the deployed unit's overall combat effectiveness would benefit.

Some overseas required training (Status of Forces Agreement, drivers training, language training) could become a FORSCOM responsibility. This training reinforces skills necessary for the deployed mission but may take training time away from other contingency mission training required for Southwest Asia (SWA) or other locations.

The benefits of training and exercises with allies, partnership units and other interoperability events are reduced with a six-month rotation scheme. Some annual events would not occur during a given rotation. The benefits from habitual association and depth-of-knowledge gained during a three-year tour is greater than six-month tours.

Unit Deployment Training

Army training regulations require each company, battalion or brigade with short notice, early deployment contingency or wartime mission (M to M+30) to conduct Emergency Deployment Readiness Exercises (EDRE). These exercises are conducted at least annually and consist of alert, assembly, and load out as a minimum. Unit deployment during these minimum notice exercise is accomplished if possible. EDRE tests the unit's deployment capabilities under contingency conditions. Predeployment training requires tailoring for specific geographical and mission requirements. The value of combat battalions six-months unaccompanied rotation would be the bonus of realism. The overall impact of the actual air flight on readiness is minimal.

Geographic Familiarization With Contingency Area

Geographic familiarization with contingency areas is of obvious benefit to deploying forces. The issue is depth of knowledge. Does the "tourist" (six-month unit) gain the degree of familiarization of plans, terrain, fields of fire, enemy avenues of approach, killing zones, acclimatization and interoperability as the "resident" (long-tour unit)? Certainly exercises of short duration such as REFORGER are beneficial but a lot of "resident" knowledge exists to assist the "tourist". Over time the issue of more personnel with less knowledge or fewer personnel with more knowledge becomes moot.

DEPENDENT CONSIDERATIONS

> "A partnership exists between the Army and Army families. The Army's unique mission, concept of service and lifestyle of its members -- all affect the nature of this partnership, towards the goal of building a strong partnership, the Army remains committed to assuring adequate support to families in order to promote wellness; to develop a sense of community; and to strengthen the mutually reinforcing bonds between the Army and its families."2

The research on Army families in USAREUR conducted in 1983 by the Army Research Institute concluded that USAREUR families support readiness with a strong partnership. Table 4-2 provides examples of the survey responses.

TABLE 4-2

ATTITUDE SURVEY

QUESTION	% Agreeing	ENL	NCO	OFF
"Our Family is committed to the mission and life style of the Army."	Military Member	61	71	87
	Spouse	70	76	84
"If conflict between Army and Family - Army comes first."	Military Member	24	44	49
	Spouse	25	47	51

Dependents Demographics

As of September 30, 1985, the number of command and noncommand-sponsored dependents located in the Federal Republic of Germany, Berlin and Italy are shown in Tables 4-3 and 4-4.

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[2] Chief of Staff, U.S. Army, White Paper 1983, The Army Family.

TABLE 4-3
COMMAND-SPONSORED DEPENDENTS

LOCATION	SPOUSES	CHILDREN	TOTAL
GERMANY	61,663	88,729	150,392
BERLIN	1,818	2,626	4,444
ITALY	1,716	2,487	4,203
TOTAL	65,197	93,842	159,039

SOURCE: U.S. Army Staff Study, "Rotation of Ground Combat Units to Europe and the Pacific," 1986.

TABLE 4-4
NONCOMMAND-SPONSORED DEPENDENTS

LOCATION	SPOUSES	CHILDREN	TOTAL
GERMANY	3,021	4,347	7,368
BERLIN	74	104	178
ITALY	26	38	64
TOTAL	3,121	4,489	7,610

SOURCE: U.S. Army Staff Study, "Rotation of Ground Combat Units to Europe and the Pacific," 1986.

As of September 30, 1985, the approximate number of military dependents for the infantry, armor, and field artillery combat battalions assigned to USAREUR are shown in Table 4-5. These dependents represent approximately 29 percent of the total Army dependents in Germany, Berlin and Italy.

TABLE 4-5
COMMAND-SPONSORED DEPENDENTS
of
GROUND COMBAT UNIT PERSONNEL

SPOUSES	19,268
CHILDREN	27,683
TOTAL	46,951

SOURCE: U.S. Army Staff Study, "Rotation of Ground Combat Units to Europe and the Pacific," 1986.

As of September 30, 1985, there were approximately 4,394 command-sponsored and 6,894 noncommand-sponsored dependents in Korea. Of a total division strength of over 13,000 soldiers, only 21 Service members are authorized to have command-sponsored dependents in country. The other command-sponsored dependents reside with Army Service members assigned to support units within Korea. As such, a six-month tour for combat units in Korea would have no appreciable effect on the number of command-sponsored dependents in country.

The State Department estimates that approximately 450,500 U.S. civilian reside in Germany, Berlin and Italy at the end of FY 1985. If a six-month unaccompanied tour for ground combat battalion was fully implemented, a reduction of approximately 47,000 Army command-sponsored dependents would occur. Even with this reduction, over 403,000 U.S. citizens would remain in Germany, Berlin and Italy.

Morale and Welfare

Soldier and family morale and welfare would be affected by a six-month unaccompanied unit rotation policy. Contributors to low morale include poor living conditions and stress on marital and family relationships caused by family separations.

The report, "Impact of Deployment Separation on Army Families," prepared by the Walter Reed Army Institute of Research in 1984, studied the impact of the six-month MFO battalion deployment on the families of soldiers. An increase in the frequency on health symptoms were often related to stress. Among stresses of daily living, the most frequently reported problems involved parent and child relationships. Problems ranged from one mother's concern about the clinging behavior exhibited by her 18-month old following the father's departure, to another mother who reported that her adolescent was beyond her control and had even physically attacked her. Other problem areas in order of descending frequency were related to the stress and pressure of having to make all major decisions alone; feelings of loneliness, isolation and boredom; maintenance of autos and appliances; and handling of family finances.

Despite the efforts of various family support groups, there was a shift in attitudes on the part of wives regarding the Army while their husbands were deployed. Prior to the deployment, the majority of the wives reported very positive attitudes about being associated with the Army, expressed pride in their husbands' careers and felt that their husbands were making a contribution to society. During the deployment there was a general shift in these attitudes from positive to neutral. When asked whether they wanted their husbands to stay in the Army, it was noted that following deployment attitudes of both officers' and NCOs' wives shifted from positive to neutral; however, the wives of junior enlisted members (E5s and below) shifted to negative.

Upon their husbands' return, wives and children underwent a period of at least moderately stressful readjustment characterized by physical symptoms, children's behavior problems, and wives' lower levels of tolerance for requirements imposed on them by their husbands and children. However, the overwhelming majority of families were able to readjust within two months after their husband's return. For soldiers assigned to combat arms battalions on six-month unaccompanied tours, morale would suffer due to the family separation and the inequities of combat support personnel having their families overseas.

Historically, drug, alcohol abuse and crime rates are higher during six-month unaccompanied rotations such as Brigade 75/76. However, based on current statistics (Table 4-6 and 4-7) there are no significant trends between long-tour and short-tour locations.

TABLE 4-6
CRIME STATISTICS (FY 85)
(Incidence Per 1,000)

	FORSCOM	KOREA	EUROPE	ARMY AVG
Violent Crime[a]	3.16	3.08	4.66	3.41
Property Crime[b]	58.02	57.86	51.27	56.01
Drugs: Marijuana	11.02	7.92	10.05	9.82
Other	2.61	4.17	4.80	3.24

SOURCE: U.S. Army Staff Study, "Rotation of Ground Combat Units to Europe and the Pacific," 1986.

[a] Murder, Rape, Robbery, Aggravated Assault
[b] Larcency, Burglary/House Breaking, Auto Theft, Arson

TABLE 4-7
SOLDIER ENROLLED IN DRUG & ALCOHOL ABUSE
PROGRAM (FY 85)
(percent of Command)

	FORSCOM		KOREA		EUROPE	
Drug and Alcohol	10,465	(3.9%)	936	(3.2%)	11,806	(6.0%)
Drug	4,154	(1.5%)	175	(0.8%)	3,143	(1.6%)
Alcohol	6,311	(2.3%)	761	(3.6%)	8,663	(4.5%)

SOURCE: U.S. Army Staff Study, "Rotation of Ground Combat Units to Europe and the Pacific," 1986.

Stability For Dependents

Homebasing provides the opportunity for soldiers and their dependents to remain at the same CONUS installation during repeated tours of duty. This helps develop a sense of community and stability. The six-month unaccompanied rotation cycle may frustrate this goal. For example, during a six-month unaccompanied MFO battlion rotation 25 percent of the wives left the area shortly before or just following their husband's deployment. For the most part, they went to live with relatives until their husbands returned. Those who left the area tended to be those who were not employed or who did not have school age children. Most gave as a reason for leaving the wish to be with relatives during the separation rather than to stay alone in a strange community. Others reasoned that the move back home would be an opportunity to save money on rent and utilities while their husband was away. However, the repetitiveness of the six-month rotation policy may reduce the number living with family members until the spouse returned.

RETENTION

A six-month deployment experience may enhance morale by providing new and unique training opportunities, new surroundings and training areas, a feeling of cohesiveness based on a shared common experience, the opportunity to travel in distant lands, and the overall feeling of mission accomplishment. However, the prospects of frequent deployments and the factors associated with such deployments may adversely impact on morale. Such factors are six-month turnaround times; family stress; financial hardship; a feeling of unfairness because they are facing repeated family separations that combat service support soliders and higher headquarters personnel do not face; concern that their families are not being taken care of at the CONUS base or the feeling of not truly belonging to the overseas community.

A 1984 Walter Reed Army Institute of Research Study on the "Impact of Deployment Separation on Army Families" also concluded that deployment separations increase the family's psychosocial disruption and adds stress to various degrees. The ability of many families to cope with the separation will be dependent upon the support structure established at the CONUS base. These quality of life resources include: a rear unit detachment to provide the vital communications link between the deployed unit and the dependents of the Service member; an additional commitment from leaders' wives to care for the needs of others; counseling and related Army Community Services personnel; and installation administrative support for handling finance, legal, and related problems. In order to lessen the hardships of separations, a number of soldiers may choose to bring their families overseas at their own expense. This situation adds to the family's financial hardship and will not achieve the desired result of reducing the number of dependents overseas.

Currently 4.6 percent of the overseas assignments for infantry, armor and field artillery soldiers are 12-month unacompanied short tours. For the post-Vietnam era, during a 20-year career in the combat arms, officers average one short tour and career enlisted soldiers average one short tour as a junior enlisted member and one short tour as a noncommissioned officer (NCO). The six-month rotation policy would increase the total time of family separation. For example, if a soldier were assigned to a combat battalion for 10 years of his 20-year career, this policy would increase his total unaccompanied time from 2 to 5 years. For an officer, this time would increase from 1 year to 3 or more. This additional "tour-induced" family separation must be added to the existing separations caused by training exercises, National Training Center (NTC), joint exercises, schools and TDYs. This increased family separation will have a dramatic adverse impact on the Army's retention.

The average turnaround time between CONUS and overseas tours for enlisted soldiers is 39 months. The average turnaround time by enlisted Career Management Fields (CMFs) is shown in Table 4-8.

TABLE 4-8
AVERAGE TURNAROUND TIME

CMF 11 (Infantry)	43 months
CMF 19 (Armor)	36 months
CMF 13 (Field Artillery)	33 months

SOURCE: U.S. Army Staff Study, "Rotation of Ground Combat Units to Europe and the Pacific," 1986.

Since the ratios of CONUS-to-overseas battalions that can rotate within regiments are 1.3:1 for Infantry, 1.2:1 for Armor and 1.07:1 for Field Artillery, then a program that rotates all combat arms battalions every six months will change turnaround times to six months. These short turnaround times compounded by the increased family separations will adversely affect retention.

In retaining soldiers, the Army must continue the emphasis on Army families. Data published in the Human Readiness Reports and Soldier Reports indicate the "health" of the command climate and the impact of Human Resources Development programs on that climate. The most recently released soldiers' survey in November 1984 indicated that 20.9 percent of first-term soldiers, 18.4 percent of career soldiers, and 16.6 percent of officers, who participated in the survey, cited family separations as their reasons for choosing against the Army as a career (Table 4-9).

TABLE 4-9
REASONS FOR CHOOSING AGINST THE ARMY AS A CAREER

FIRST-TERM SOLDIERS		CAREER SOLDIERS		CAREER OFFICERS	
Job Dissatisfaction	(24.6%)	Family Separation	(18.4%)	Job Dissatisfaction	(35.0%)
Family Separation	(20.9%)	Job Dissatisfaction	(18.0%)	Family Separation	(16.6%)
Training	(7.3%)	Retirement	(11.1%)	Bonus	(13.4%)
Pay	(7.2%)	Pay	(8.5%)	Pay	(11.0%)
Bonus	(5.0%)	Training	(5.7%)	Retirement	(10.8%)
		Bonus	(5.4%)	Training	(1.3%)

SOURCE: U.S. Army Staff Study, "Rotation of Ground Combat Units to Europe and the Pacific," 1986.

In the Brigade 75/76 experiences, 42 percent of the deployed Service members were married. Surveys completed after deployments indicated that 46 percent of the lower ranking enlisted members were less likely to reenlist if they were placed on a continuous six-month unaccompanied rotation cycle. The "1983 EXIT SURVEY," was administered to all first-term soldiers separating with an expiration of time in service (ETS) between September and December 1983. The results of this survey indicated that 43.7 percent of the male soldiers and 42.8 percent of the female soldiers listed family separations as one of their top reasons for separating. Also, the January 1985 Technical Report, "Army European Tour Extension - an Interdisciplinary Approach," prepared by the Manpower and Personnel Policy Research Group, U.S. Army Research Institute, analyzed the data from the 1983 Army Families in Europe Survey. For both officers and enlisted members, the wife's attitude toward the military greatly influenced the Service member's decision to remain in the military.

Since the Army enlists soldiers but retains families, the expected loss of quality personnel caused by soldier and family dissatisfaction over frequent and increased separations is a major consideration in the overall assessment of an unaccompanied six-month unit rotation program.

Recruitment

The personnel pool from which the Army will recruit for the All Volunteer Force continues to shrink. Over the next decade recruiters will face their greatest challenge as the target age population declines from nearly 18 million in 1980 to approximately 13 million in 1994. Approximately 135,000 youths must be recruited annually for the Active Army. High school diploma graduate first termers increased from 54 percent in 1980 to 91 percent in 1985, and to maintain the current high quality the Army will have to access 1 out of every 14 available youths.[3]

The uncertainties over and the possible erosion of benefits such as changes to the military retirement program have the potential to decrease Army recruitment. This situation may be further aggravated by the Army's adoption of the six-month unaccompanied rotation for combat units. Every soldier who leaves the Army due to dissatisfaction with the increased and frequent family separation adds another soldier to be recruited by the Army.

COST FACTORS

The Committees on Armed Services acknowledge that increased PCS costs may result from the adoption of a six-month unaccompanied unit rotation policy. However, the Committees believe that reductions in dependent-support costs will offset the increases that may result from adopting a six-month rotation policy. This section provides information on the economic considerations of the six-month unaccompanied unit rotation policy for infantry, armor, and field artillery battalions assigned to Europe and Korea.

Travel and Transportation

The current average PCS costs associated with the travel of soldiers and their dependents overseas are shown in Table 4-10. These are composite or per member costs, and must be applied across the board to all Service members by category (officer and enlisted).

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[3] U.S. Army Staff Study, "Rotation of Ground Combat Units to Europe and the Pacific," (Office of the Deputy Chief of Staff for Operations and Plans, January 13, 1986), p.37.

TABLE 4-10
PCS COSTS

	OFFICER		ENLISTED	
	SOLDIER	DEPENDENTS	SOLDIER	DEPENDENTS
EUROPE	$887	$7,550	$748	$1,757
PACIFIC	$931	$5,810	$764	$1,352

SOURCE: U.S. Army Staff Study, "Rotation of Ground Combat Units to Europe and the Pacific," 1986.

These rates include many entitlement and demographic variables. Cost factors include member mileage allowed and per diem, dependent mileage allowances, MAC or commercial air fare, POV shipment and handling, air baggage, HHG shipment (both CONUS and international), nontemporary storage of HHG and trailer allowances, plus others. These costs use actual rates and either actual or historical demographics to develop individual cost factors. Costs for dependent per diem, temporary lodging expense, and increased HHG weight allowances for junior enlisted members have not been included, since neither actual or historial data on these allowances are available.

The rates depicted in this section vary due to many factors. For example:

- Officer costs are greater than enlisted member costs due to a greater average number of miles and days to accomplish a PCS (mileage and per diem costs), greater hold baggage allowance and greater DLA allowances. Additionally, historical data on MAC fares indicates higher cost for officers.

- Dependent costs for officers are significantly higher than those for enlisted members because of greater HHG weights and a larger number of POV's shipped. Most importantly the total costs are divided by the respective populations and the much lower marital rate for enlisted members (49.4 percent versus 79.5 percent for officers) coupled with the total number of respective Service members (154,462 versus 17,479 officers) produce a significantly lower enlisted composite rate.

Assuming battalions will rotate overseas at the least cost option, that is, 179-day TDYs under field duty, group travel will be used. In accordance with the JTR, if group travel is used for the movement to and from overseas and field duty applies for the TDY period, then soldiers are not authorized per diem. Therefore, no per diem costs are incurred.

The number of personnel assigned to infantry, armor, and field artillery battalions stationed in Europe and Korea is shown in Table 4-11.

TABLE 4-11
COMBAT ARMS BATTALIONS PERSONNEL

	OFF/WO	NCO	ENL
GERMANY	4,317	21,495	37,084
BERLIN	123	645	1,341
ITALY	64	334	687
EUROPE TOTAL	4,504	22,474	39,112
KOREA TOTAL	446	2,272	4,426

SOURCE: U.S. Army Staff Study, "Rotation of Ground Combat Units to Europe and the Pacific," 1986.

Table 4-12, shows the number of married personnel assigned to infantry, armor and field artillery battalions in Germany, Berlin and Italy.

TABLE 4-12
MARRIED PERSONNEL COMBAT ARMS BATTALIONS

	NUMBER	# MARRIED	# ACCOMPANIED
OFFICER	4,332	3,032	2,274
WO	172	153	115
NCO	22,474	18,204	13,653
ENL	39,112	12,907	3,226
TOTAL	66,090	34,296	19,268

SOURCE: U.S. Army Staff Study, "Rotation of Ground Combat Units to Europe and the Pacific," 1986.

Using the formula: Annual Cost = (# of moves/year/TOE position) X (# TOE positions by category) X (cost/move), the annual travel costs for the six-month rotation are approximately $200.2M for Europe and $22M for Korea.

The $50.8M ($39.8M Europe and $11M Korea) cost of the current individual replacement program is computed similarly, but factored by average tour lengths for officers and enlisted members in Europe. Thus, the six-month rotation policy costs for travel is approximately $171.4M per year more expensive. Since group travel is used, USAREUR estimates an additional ground transportation cost of $50,000 per battalion rotation or approximately $9M annually. Estimated ground transportation cost for Korea is $550K annually.

An additional cost associated with the six-month rotation policy is temporary storage costs of household goods. All soldiers regardless of rank participating in the six-month rotation are authorized to place up to 13,500 pounds in storage. Based on the experience with soldiers performing the MFO mission in the Sinai, it can be expected that an average of 330 soldiers participating in the six-month program will place an average of 350 pounds in storage. Using 1985 actual cost data, the estimated storage cost of HHGs would be $4.8M per year for Europe and $.6M for Korea. Based upon the data shown in Tables 4-10 and 4-12, the annual cost savings of $111.3M associated with not moving dependents overseas was determined.

As shown in Table 4-13, the annual incremental increase in travel and transportation costs associated with a six-month rotation scheme is $62.9M is Europe and $12.1M for Korea.

TABLE 4-13
ANNUAL INCREMENTAL
TRAVEL AND TRANSPORTATION COSTS

	EUROPE	KOREA	TOTAL
Soldiers Travel	+160.4M	+ 11.0M	+171.4M
Soldiers Ground Transporation	+9.0M	+.5M	+9.5M
Soldiers Storage	+4.8M	+.6M	+5.4M
Dependent Travel	-111.3M	+ 0.1M	-111.3M
Net Change	+62.9M	+12.1M	+75.0M

SOURCE: U.S. Army Staff Study, "Rotation of Ground Combat Units to Europe and the Pacific," 1986.

Family Housing

The net effect of implementing a six-month rotation program is to increase the requirements for family quarters in the CONUS and decrease requirements overseas. However, since only Service members assigned to combat units would be effected by this program it is assumed the Government family quarters vacated by combat arms families overseas would be made available to families of noncombat personnel serving accompanied-by-dependent tours. Therefore, there may be in fact no decrease in occupancy of Government family quarters overseas. Table 4-14 provides an example of this.

TABLE 4-14
FAMILY QUARTERS
(Germany, Berlin, Italy)

Government Qtrs	43,744
Government Leased	10,563
Economy	37,000
TOTAL	91,307

SOURCE: U.S. Army Staff Study, "Rotation of Ground Combat Units to Europe and the Pacific," 1986

If a six-month unaccompanied rotation policy were implemented, the number of personnel living on the economy and the number living in Government leased quarters would decrease. This results in an estimated cost savings of approximately $7.2M due to the reduction of Overseas Housing Allowance costs. However, VHA costs for dependents residing in the CONUS would be incurred. The average FY 1985 annual VHA was $1,306 per officer and $800 per enlisted member. The VHA costs associated with the six-month rotation concept are estimated at $16.6M.

Based upon the information presented in Table 4-12, it can be estimated that the FY 1985 FSA-Type II expenditures for Service members assigned to combat units in Germany, Berlin and Italy were $5.4M. With a six-month unaccompanied tour policy the FSA-Type II expenditures would be increased by $13.9M. (Monthly rate for FSA-Type II was increased to $60, effective October 1, 1985 (P.L. 99-145).)

If the family housing rules for the six-month rotation scheme are the same as those applied to the MFO battalions the impact is significant.

Under current rules, dependents are permitted to remain in Government quarters at the unit's CONUS homebase while the unit is deployed. However, major differences between the deployment programs exists. In the MFO scenario, there is no net increase in dependents to the installation because there is not an incoming battalion to replace the deploying unit. In a six-month rotation plan, however, there is an initial additional requirement of family housing at the CONUS installation for each rotating combat arms battalion. The impact will vary among installations depending upon the availability of adequate housing both on-and off-post.

With USAREUR, affected installations would need to increase BOQ, BEQ, and barracks space to house unaccompanied soldiers. USAREUR currently has a shortage of unaccompanied personnel housing. The cost for unaccompanied personnel housing construction in Europe using DoD FY 1987 costing guidelines is estimated at $267.8M (Table 4-15).

TABLE 4-15
UNACCOMPANIED PERSONNEL HOUSING
(DOD FY 1987 Cost Data)

	NUMBER	$ SQ FT	SQ FT	COST ($M)
OFFICER 02 AND BELOW	1,553	$58.60	475	43.2
OFFICER 03 AND ABOVE	836	$58.60	650	31.8
NCO	13,653	$57.70	200	157.5
ENL	3,227	$54.70	200	35.3
TOTAL				+267.8

SOURCE: U.S. Army Staff Study, "Rotation of Ground Combat Units to Europe and the Pacific," 1986.

In summary, the adoption of a six-month unaccompanied tour policy for Europe and the Pacific would incur an annual increase in housing related costs of $23.3M, along with a one-time military construction cost for the U.S. Army of $267.8M. Table 4-16 reflects the various housing costs.

TABLE 4-16
HOUSING COSTS
FOR A
SIX-MONTH ROTATION PLAN

Overseas Housing Allowances	-$7.2M
Variable Housing Allowance	+$16.6M
Family Separation Allowance	+13.9M
Total	+23.3M

SOURCE: U.S. Army Staff Study, "Rotation of Ground Combat Units to Europe and the Pacific," 1986.

Schools

The student load for the Department of Defense Dependent's School (DODDS) system in Germany is shown at Table 4-17.

TABLE 4-17
DODDS STUDENTS IN GERMANY
(FY 1986)

MILITARY	86,062
ARMY SPACE REQUIRED	60,805
ARMY SPACE AVAILABLE	428
AVERAGE COST	$ 3,757

SOURCE: U.S. Army Staff Study, "Rotation of Ground Combat Units to Europe and the Pacific," 1986.

The Department of Education administers financial assistance to local school systems for educating the students of Service member in the local school system under the provisions of P.L. 81-815 and P.L. 81-874. The average per pupil expenditure for FY 1985 was $3,086.

Therefore, a net savings to the Government of $671 per student accrues for education in the CONUS versus overseas. The estimated annual savings is approximately $12.7M if a six-month rotation policy were implemented.

Other Costs

The implementation of the six-month unaccompanied rotation policy would have an impact on support activities such as medical care facilities, commissaries, post exchanges, and child care centers. However, the net result is merely the transfer of these responsibilities from Europe to the CONUS. For example, the estimated 12 percent fewer clinic visits in Europe becomes 12 percent more clinic visits for CONUS medical facilities or CHAMPUS to accommodate.

Summary of Cost Factors

The Army estimates that total annual costs associated with adoption of a six-month unaccompanied tour policy would be $85.6M. In addition, the Army would incur a one-time expenditure for military construction of $267.8M. Table 4-18 indicates the various costs.

TABLE 4-18
COSTS ASSOCIATED WITH A SIX-MONTH TOUR POLICY

NET COSTS	EUROPE	KOREA	TOTAL
Travel	+ $62.9M	+ $12.1M	+ $75.0M
Housing	+ $23.3	-	+ $23.3
Schools	- $12.7M	-	- $12.7M
Total	+ $73.5M	+ $12.1M	+ $85.6M
One Time Construction	+ $267.8M	-	+ $267.8M

SOURCE: U.S. Army Staff Study, "Rotation of Ground Combat Units to Europe and the Pacific," 1986.

SUMMARY

From the preceding sections the impacts on the evaluation criteria between the alternatives of a six-month unaccompanied rotation and the current system of individual and unit rotations in excess of six months are summarized at Table 4-19.

TABLE 4-19

EVALUATION SUMMARY

	EVALUATION CRITIERIA			
FACTORS	READINESS	FAMILY MEMBERS	COSTS	RETENTION
Mission Accomplishment	-		-	-
Morale & Welfare	-	-	-	-
Realistic Combat Training	+ / -			
Stability for Family Mbrs		-	-	-
Unit Deployment Training	+			
Geographic Familiarization	+			

KEY
- Negative Impact
+ Positive Impact

A recapitulation of estimated costs and savings is at Table 4-20.

TABLE 4-20
RECAPITULATION OF ESTIMATED COSTS AND SAVINGS

ANNUAL		
COST		
Soldier Travel		+171.4
Soldier Ground Transportation		+9.5
Temporary Storage HHG		+5.4
Family Separation Allowance		+13.9
Variable Housing Allowance		+16.6
	Subtotal	+216.8
SAVINGS		
Dependent Travel		-111.3
Overseas Housing Allowances		-7.2
DODDS less Department of Education Aid		-12.7
	Subtotal	-131.2
	Total Annual Costs	+85.6
ONE TIME		
MCA For Unaccompanied Personnel Housing Overseas		+267.8

SOURCE: U.S. Army Staff Study, "Rotation of Ground Combat Units to Europe and the Pacific," 1986.

Six-month unaccompanied rotation of ground combat battalions is not considered feasible due to the adverse impacts on readiness, costs, families and retention. Specifically, repeated six-month rotations would:

- o Cause combat battalions to rotate every six months due to the 1:1 force structure ratio of CONUS-to-OVERSEAS battalions.
- o Create cyclical declines in unit readiness.
- o Cause overseas commands to give up long-term combat effective, environmentally-seasoned battalions for six-month battalions.
- o Increase personnel turbulence and reduce personnel readiness.

o Require the new equipment fielding policy based on "first to fight" be changed.

o Impair the Army's ability to execute OPLANS and limit the ability to rapidly react to other world-wide contingencies.

o Increase annual costs by $85.6M and incur a $267.8M one time cost.

o Negatively impact on the morale and welfare of combat arms soldiers and their families.

o Create tour length inequities among soldiers in the same command and installation.

o Reduce both the retention of combat arms soliders and likelihood of recruiting their replacements.

While a six-month TDY unit deployment program (UDP) has benefitted the Marine Corps in reducing PCS costs, the same policy will not benefit the Army. The reason the UDP works for the Marine Corps is that their ratio of CONUS/overseas basing is 4:1. This ratio allows them to rotate each unit once every 24 months for a six-month TDY. With an 18-month period between each deployment, the Marine Corps has achieved a balance between family stability and family separation while at the same time reducing PCS costs. The Army does not have the CONUS sustaining base to achieve this same balance. The Army's CONUS/overseas ratio of ground combat units is less than 2:1.

SECTION B: ROTATION OF AIR COMBAT UNITS

INTRODUCTION

The U.S. tactical fighter aircraft employed throughout the world today represents a specialized and sophisticated combat capability. To a great extent, this capability has been achieved by introducing avionics and weapon subsystems that provide combat power at a disproportionate ratio to the total numbers of aircraft available for employment. Thus, while the total numbers of aircraft within the force structure are critical to the overall prospect for success, aircraft with unique systems must be given special consideration. Therefore, any examination of a system of rotation must acknowledge the significant dissimilarities in aircraft characteristics and capabilities, even within a particular model/series such as the F-4E. Some versions of these aircraft may possess a "one-of-a-kind" combat capability due to special subsystems.

In general, the U.S. strategy of forward basing its fighter force is accomplished by stationing the most capable aircraft systems overseas. For example, the F-15C/D is deployed to Europe and the Pacific, while the older F-15A/B is stationed in the CONUS. Newer model F-111s with improved avionics are deployed overseas and the older models are bedded down in the CONUS. The result is that while approximately one-half of the active-duty fighter force structure is based in the CONUS and half overseas, in many cases more than one-half of a fighter type or fighter capability is based overseas.

OPERATIONS AND READINESS

Fighter Force Beddown

Table 4-21 provides an overview, by weapon system and geographical location, of the worldwide deployment of the U.S. tactical fighter force.

TABLE 4-21
Combat Coded Tactical Force Summary
Weapon System Beddown
as of FY85/4

Weapon System	CONUS Location	Overseas Location
F-15	Holloman	Camp New Amsterdam
	Langley	Kadena
	Eglin	Bitburg
	Luke	Elmendorf
F-4E	Seymour Johnson	Spangdahlem
	Moody	Ramstein
		Osan
		Taegu
		Clark
F-4G	George	Clark
		Spangdahlem
A-10	England	Bentwaters
	Myrtle Beach	Eielson
	Davis Monthan	Suwon
F-16	Shaw	Torrejon
	Hill	Misawa
	Nellis	Hahn
		Kunsan
RF-4C	Shaw	Alconbury
	Bergstrom	Kadena
		Zweibrucken
OV-10, O-2	Shaw	Eielson
	Davis Monthan	Wheeler
	George	Osan
F-111	Cannon	Upper Heyford
	Mt. Home	Lakenheath

Table 4-22 on the other hand shows the deployment of tactical fighter squadrons by major command -- Alaskan Air Command (AAC), Pacific Air Forces (PACAF), Tactical Air Command (TAC), and U.S. Air Forces in Europe (USAFE).

TABLE 4-22
COMBAT CODED TACTICAL FIGHTER SUMMARY
ACTIVE DUTY SQUADRON
AS OF FY85/4

	Total	AAC	PACAF	USAFE	TAC
A-10A	14	1	1	6	6
F-4E	12		3	2	7
F-4G	6		1	3	2
F-15A/B	5	1			4
F-15C/D	12		3	4	5
F-16A/B	17		3	6	8
F-16C/D	2				2
F-111	10			7	3

SOURCE: Air Force Staff Study, "Rotation of Combat Maintenance and Operations Squadrons to Europe and the Far East," 1986.

Balancing all these aircraft and capabilities between the CONUS and overseas bases to permit six-month rotations would require an expensive, massive reorganization and beddown of the fighter force. It would require additional mixing of aircraft types and capabilities immediately and some loss of capability available to the overseas theater commander because some aircraft types will have to be bedded down in the CONUS to provide the rotation base. Further, it would require mixing aircraft types and system capabilities within a fighter wing, which would create enormous logistical support problems and aggravate existing problems.

The F-111 squadrons are a good example of the difficulties that would be experienced. The long-range, all-weather, day-night interdiction capability of the F-111, is so valuable that seven of the ten operational squadrons are currently based overseas. The flying characteristics and avionics systems are such that interchangeability of aircrews cannot be accommodated without additional training. While this creates an undesirable CONUS-to-overseas imbalance, it has been accepted as absolutely necessary.

Simply stated, several operational constraints exist which militate against rotating tactical fighter units with dissimilar aircraft or avionics subsystems. If this were done, there would be a severe penalty to operational effectiveness. Therefore, it is only possible to rotate the different squadrons if the unified commanders and the Service theater commanders would adjust their war plans to accommodate the different mission capabilities. For under the six-month rotation concept, overseas commanders would have to make provisions for changing mission capabilities as squadrons rotate with their assigned aircraft.

Combat Readiness of Aircrews

Considerable time is required for many crew members to become mission ready when they are assigned to Europe because of the theater-unique mission training, bad weather conditions in Europe, and the complex multi-national command and control system associated with NATO. In addition, compressed airspace and facility limitations restrict training capabilities. These are problems unique to Europe. They cannot be simulated in the CONUS. For example, the worst weather at CONUS training facilities is better than the best weather experienced in Europe. In addition, the Air Force cannot duplicate the sort of multi-national training, including nuclear weapons responsibilities, that its crews must assume when they are assigned to Europe. Also, the Air Force has unique and varied weapons systems in Europe that are not based in the CONUS. Crews must be checked out after arrival in Europe. All of this takes time.

This theater checkout time, whether in Europe or the Pacific, is relatively fixed. If the tour is decreased, either through mandatory reductions in the tour length or because that crew member elects an unaccompanied tour, the result is a higher percentage of the crew member's tour spent in training. The result is reduced readiness levels, and less productive use of flying sorties.

Many factors limit the number of crew members who return for a second tour overseas in the same aircraft. Those who return may be assigned to different weapons systems and to different geographic locations where the specific mission may be different -- for example, air-to-air tactics rather than air-to-ground. Different geographic areas also mean different conditions and command and control procedures. In addition, the NATO environment is constantly changing to respond to the threat. All of these factors increase the checkout time of pilots returning for their second or subsequent tours.

Additional Training Requirements

The current overseas deployment training program, "Checkered Flag," sends fighter units overseas every three to four years for a training period of approximately two weeks. Fighter units prepare for these deployments with an extensive training program which includes theater flight rules, training and testing, instrument flying procedures, flying simulator mission profiles for the new theater, rules of engagement, and many other subjects. When added to normal training requirements, this preparation often takes a month or more to complete and under the proposal would have to be accomplished every six months. Besides the training to rotate overseas, the crews preparing to return to the CONUS would similarly need to be trained for operations at the CONUS base. Even if these training programs are developed as "refresher training" courses, an estimated minimum two days of academics and many hours of self-study will be required out of each crew's available time prior to each rotation.

Dual-Committed Units

Currently, many TAC fighter units within the CONUS are committed to more than one theater of employment under different contingency plans. This could impact training in those units assigned a priority commitment to the SWA region, but also assigned a Europe or Pacific wartime tasking. Under the proposed unit rotation, crews in these units would have to be fully trained for operations in SWA, the CONUS operations base, and the European or Pacific rotation base. Full mission-ready upgrade of these pilots can currently take ninety days or more and under the rotation proposal could easily stretch to six months or longer.

Other Considerations

A typical deployment of 24 aircraft often results in the temporary loss of 2 or more aircraft available for training due to inflight emergency diversion. Those aircraft are lost for the time it takes to fly parts and maintenance specialists to the abort location, repair the aircraft, arrange for necessary air refueling support, and fly the aircraft back to the unit. Depending on the maintenance problem, that time duration can vary from a few days to several weeks. Another loss of training time would occur due to pre- and post-deployment operations. Two days before deployment all aircraft have to stand down while extra fuel tanks are loaded and checked for leaks. The crews have to go into a briefing and crew rest cycle. After arrival at the new operational location, the aircraft have to be downloaded and prepared for local operations. The actual deployment can take two days depending on enroute stops. All told, this means two weeks per year will be lost to deployments and the required support actions. At current training rates, this means each squadron loses 250 sorties per year, or has to double up training some other way.

Besides losing the use of the aircraft, large amounts of flying time will be spent in aircraft movements. If the average deployment takes 10 hours, then 40 hours per year will be spent "driving" a fighter to and from deployment locations, instead of accomplishing tactical training events preparing for war. At current monthly flying rates that equates to over two months' flying time. A final implication of the rotation plan is total TDY requirements for fighter personnel. Currently in TAC, the average crew member is TDY for over 60 days per year. These TDYs are to participate in training exercises like Red Flag and Maple Flag, attend planning conferences and other meetings, and participate in nonflying exercises. Under the six-month rotation plan, these crews will be unaccompanied for half the year overseas and then go TDY for two months or more when stationed in the CONUS. This additional TDY commitment -- a 300 percent increase --will only add to morale and retention problems. However, if TDYs in the CONUS were eliminated, then some of the Air Force's most valuable training programs would be lost.

Logistics Feasibility and Desirability

Supply. The deploying unit would have to carry its own peculiar equipment at the time of the rotation. This would be costly from an airlift viewpoint, complicate equipment accountability, and increase the probability of damage to sensitive support equipment based on increased movement requirements.

Another concern is peculiar spares support. Just as some support equipment would have to be deployed with the unit, so would peculiar spares. War readiness spares kits (WRSK) are not segmented as to peculiar or common secondary items. Even if this could be done, it would be a labor-intensive requirement and not address the larger spares issue of peacetime stockage at the deployed and CONUS locations. For example, peacetime stockage today is determined, in large measure, by historical demand patterns and repair factors. The turbulence that a six-month transfer would have on this process is significant. Actual requirements determination at both the CONUS and overseas locations would be disrupted and would likely result in maldistribution of peacetime operating stock (POS). At best, the concept would increase movement and redistribution of spares and potentially hinder readiness and sustainability at both locations.

Communications/Electronics. The concept of six-month rotations could be expanded to include other organizations like combat communications and tactical air control units. These units exist in both theaters, as well as in the CONUS. Combat units in the communications, electronics, and information systems area already have heavy TDY requirements. Frequent field exercises are conducted to maintain the desired level of readiness. Given the uniqueness of the equipment and mission of these units, care would be required in selecting individuals for either a six-month PCS or TDY; i.e., individuals selected must be qualified in the unit of assignment and rotated to a like position in a comparable unit, not across units. From a readiness standpoint, though the equipment operated and maintained is in most cases identical, the employment of this equipment differs greatly geographically. (Some techniques learned and practiced in deployment and operation in Texas have little application in Germany.) There would be a learning curve to overcome on each rotation.

Aircraft/Munitions Maintenance. The efficiency and quality of maintenance performed depends in large part on "team performance" for weapon system support. This team consists of many more people and functions than just maintenance/munitions technicians and operations personnel. For the work force to reach a reasonable level of efficiency, it takes a minimum of three to six months. Under this proposal, just as the maintenance/munition operation would become effective and safe, we would alter this continuity and start again at some point lower on the learning curve. The projected impacts are lower mission capability rates, fewer sorties, more accidents/incidents, higher manpower requirements, and reduced quality of maintenance.

Transportation Requirements. The increased rotations would exercise Air Force Logistics Command's (AFLC's) support of deployed combat forces. As the need for aircraft parts increases, the newly implemented European Distribution System, as well as the planned Pacific Distribution System, would be well utilized. Use of Contingency Operation/Mobility Planning and Execution System (COMPES) and Joint Deployment System (JDS) in planning for and executing rotations would provide realistic training and assist in refining automated procedures.

Any increase in unit rotations would have a significant operations and maintenance (O&M) transportation cost increase. Increased airlift requirements would reduce the unsubscribed peacetime airlift capability projected when the C-5B and C-17 become operational. Large unit rotations could increase commercial cargo augmentation directly for special assignment airlift missions (SAAMS) or indirectly for channel lift. The surge-level workloads during rotations would provide valuable deployment/reception training for aerial ports. However, there would likely be added costs in additional aerial port personnel and equipment required for the significant workload increase. There will be a tremendous increase in transportation of TDY personnel to and from work, military appointments, messing facilities, and quarters. This necessitates increased capability in passenger carrying vehicles and personnel to operate them. Vehicle support of morale, welfare, and recreation (MWR) activities will increase as the PCS/TDY base population ratio changes. Transitioning to six-month rotations would dramatically increase personal property and passenger processing requirements. Other traffic management functions will also have proportionate increases, to include freight processing, packing, and crating.

Personnel Turnover

Average turnover for the operational flying squadron occurs about every three years. Thus, the squadron gains eleven new pilots each year. Of these, seven are inexperienced pilots just out of undergraduate pilot training (UPT) and the remaining four are experienced fighter pilots returning from satellite tours such as Air Training Command or Combat Crew Training School Instructor Pilot, headquarters staff positions, Air Force Institute of Technology, Professional Military Education, etc.

As can be seen from Table 4-23, the mean time between rotations for the operational fighter squadron is seven months.

TABLE 4-23
COMBAT CODED TACTICAL FORCE SUMMARY
ACTIVE DUTY SQUADRONS
AS OF FY85/4

	TOTAL	CONUS	OVERSEAS	RATIO	TIME BETWEEN ROTATIONS
A-10	14	8	6	1.3:1	8 months
F/RF-4	21	12	9	1.3:1	8 months
F-15	20	11	9	1.2:1	7 months
F-16	19	10	9	1.1:1	7 months
F-111	10	3	7	.4:1	2 months
F-106	1	1	0		
TACS	6	3	3	1:1	6 months
Total	91	48	43		
Average				1.1:1	7 months

SOURCE: Air Force Staff Study, "Rotation of Combat Maintenance and Operations Squadrons to Europe and the Far East," 1986.

Under the rotation concept, we would assume units that rotate overseas would be based in the CONUS at a base with a like weapon system (Table 4-21). For example, the F-15 operations and maintenance squadrons that rotate to Kadena, Bitburg, and Elmendorf would be "home based" at Holloman, Langley, and Eglin.

Currently, less than four percent of the Air Force overseas requirements for enlisted members are in remote or isolated tour areas. Accordingly, the average operations or maintenance individual can expect to serve two short tours during a twenty-year career. To overcome the retention impact of a more disproportionate amount of time overseas caused by a six-month unit rotation policy, two options are available. First, to maintain equity and ensure everyone carries a fair share of the remote load, the Air Force could execute a policy of cross training among officer and enlisted specialties. The cost for such a program would reach astronomical proportions, particularly when nonfighter pilots are trained into tactical fighter systems. The price tag for providing a single pilot conversion training for a C-141 to an F-16 would cost nearly $1M. The F-16 pilot converting to the C-141 could be trained for less than $100K. This policy would also cause substantial CONUS PCS moves to be executed. The other option would be to ignore cross training and elect to accept the retention decline. Using the pilot population as an example, with the cost of an inexperienced, second lieutenant fighter pilot at $1.5M, we could access and train two new pilots for the cost of three cross-trainees.

HUMAN FACTORS

All human factors are interrelated. Human factors cannot always be measured in dollars. They significantly affect the question of dependents in Europe and the Pacific and, depending on the weights associated with them, may override conclusions derived from the cost analysis.

The factors to be examined are:

- Personnel Management
- Morale
- Retention
- Family
- Families Overseas
- Noncommand - Sponsored Dependents

Personnel Management

The Air Force personnel management system has developed through a lengthy evolution. This system is designed to fill operational requirements with the right person in the right job at the right time while minimizing adverse impacts on combat readiness, cost, and human factors such as retention and morale.

Current procedures consider the total active force as a resource to meet worldwide requirements. Specific requirements are filled by selecting the most eligible/qualified Service member for a given assignment, with volunteers selected ahead of nonvolunteers. The only Service members excluded are those on stabilized tours and those who are unqualified or ineligible for overseas assignment for reasons such as insufficient retainability. Overseas selection priority is based on short tour return date (STRD) for remote tours, overseas duty selection date (ODSD) for long tours and the number and type of overseas tours already served. This selection process assures equitable distribution of overseas duty and family separation among similarly qualified personnel.

In a unit rotation system, many of the significant features of equity which are inherent in the present system would be eliminated. In a unit that rotates, a Service member's volunteer status for a specific overseas or CONUS location would not be considered. The selection equity which considers amount, type, and recency of overseas duty would also be eliminated. Service members returning from a remote tour who are assigned to a unit which is rotating would be again serving overseas, separated from their families, far ahead of the time when they would be selected under the present system. Service members in the same grade and specialty who are assigned to units which do not rotate could conceivably never serve overseas. When the unit returns to the CONUS, after an extended period of family separation, the Service member has no choice at all--he goes where the unit goes. However, other personnel in similar grades and specialties returning at the same time from a long accompanied tour would be afforded assignment preference consideration. In addition, some bases and areas are considered more desirable than others. The Air Force policy of equity gives airmen the opportunity for duty at both kinds of locations during their career. A Service member assigned to a unit that rotates is essentially locked into one CONUS location indefinitely and serves a disproportionate share of duty at the overseas location. Force balancing would still be required in the CONUS and with the pipeline to replace separations, retirements, retraining, attrition, etc.

To minimize PCS turbulence, Air Force policy requires a minimum of 12 months time on station before being assigned overseas -- a policy driven mainly by the DLA restrictions. To continue this policy under a six-month PCS unit rotation, the pipeline of Service members into such a unit would have to be shut off one year in advance of rotation date. This could be overcome by a six-month TDY or a change in policy. In addition, all personnel when assigned to the rotating unit would have to have a minimum of 18 months service retainability -- 12 months for CONUS time on station and 6 months for the deployment. These restrictive requirements reduce the size of the available resource and eliminate the inherent flexibility realized under today's system.

Personnel assigned to operational units overseas would also be ineligible for intratheater moves to nonoperational positions for which they are qualified until the completion of the deployment. This results from the disparity that would exist in tour lengths. Although the requirement might be at the same overseas base (for example the wing staff) and the move could be made at no cost for the individual, the new assignment would authorize the movement of dependents overseas, as well as a replacement for the remainder of the deployment. Disqualifications and curtailments (medical or humanitarian) from overseas would also generate requirements for continued individual replacements.

The current personnel management system is a complex network which significantly influences every Air Force activity and every Service member. Accordingly, the present management system has evolved in response to the requirements of the complete personnel life cycle. Policies underlying this system were not arbitrarily developed; they are based on valid rationale. The unit move concept represents a marked departure from present policy without any evident advantages in costs, and promises significant negative impacts on job effectiveness, morale, and retention. Implementation of the unit move concept would seriously degrade management flexibility and the equity inherent in today's personnel management system.

Morale

Of all the nonquantitative factors examined in the context of this study, none exemplifies the concept of interdependence more than morale. Whether discussing individual morale or unit morale, it is impossible to analyze without recognizing that training, leadership, environment, family, and discipline impact on, and are in turn impacted by morale.

Individual morale will be most affected by the airman's satisfaction on the job and how the airman perceives the available dependent care. In the case of family separation, the morale impact is primarily negative. On the positive side, the departure of the dependents would remove a potential morale problem in the event of a conflict in Europe. That is, the safety and evacuation of the Service member's dependents to the CONUS.

The six-month policy would have wing and higher personnel assigned for longer periods with dependents. It is likely that there would be some impact on the morale of those at the squadron level and below caused by a "we" versus "they" attitude. For Service members who elect to leave their dependents home, the pressure of other rotational personnel who have "noncommand-sponsored" or "command-sponsored" dependents near the installation will be adverse.

Unit morale is affected by each individual's morale but the group total may be greater or less than the sum of its parts. Unit morale is built by a feeling of teamwork, cohesiveness and pride. A higher turbulence caused by constant unit rotations could degrade that aspect. There are other methods of countering the negative aspects of the six-month tour policy as it relates to unit morale. However, most of these, such as mid-tour leave, have costs both in dollars and time taken from the unit mission. Something would have to be done to improve unit morale under a policy that is potentially damaging to it.

Retention

With a limited experience base to draw comparisons from, accurate assessment of expected retention changes are difficult. In modern Air Force history, the closest parallels can be found during the Vietnam conflict. In 1972, operation BULLETSHOT was launched in support of LINEBACKER missions in Southeast Asia. These activities involved not only the rotation of Strategic Air Command (SAC) aircraft, but also, operations and maintenance personnel. Despite similarities between BULLETSHOT and the current proposal, differences are evident. One major difference stems from combat verus peacetime rotation. Also, BULLETSHOT was short term in comparison to the six-month rotation concept. That is, rotations associated with BULLETSHOT ended with mission accomplishment. A look at sortie generating skill groupings reveals the most significant retention impact came from our first-term force. First-term reenlistment rates for FYs 72, 73, and 85 are shown in Table 4-24.

TABLE 4-24
REENLISTMENT RATES BY SPECIALTY

Air Force Specialty	FY72	FY73	FY85
32XXX (Avionics Systems)	31%	17%	51%
42XXX (Aircraft Systems Maint)	38%	19%	57%
43XXX (Aircraft Maint)	41%	15%	50%
46XXX (Munitions & Weapons Maint)	17%	14%	48%

SOURCE: Air Force Staff Study, "Rotation of Combat Maintenance and Operations Squadrons to Europe and the Far East," 1986.

While it may be argued that FY 1973 was a poor retention year overall because of the draft, the war in Southeast Asia, etc., the impact of BULLETSHOT should not be discounted as a contributor to declines in the sortie generating skills.

Officer and airman exit surveys provide us with reasons why people elect to stay or separate. Prominent items continue to be retirement, pay, and quality of life issues. Family separation and stability are important factors which have always been vital in the career decision process and assignment policy formulation. Continuous rotation of units between the CONUS and overseas will increase separations. Comparisons can be made with the Navy's "sea duty." The six-month rotation plan parallels it in nature; therefore, we must assume similar problems such as declining retention, experience losses from the officer corps as well as middle and senior enlisted ranks, and increased marital strife and divorce rates.

In the 1984 Job Outlook in Brief, the Bureau of Labor Statistics estimated civilian employment of aircraft mechanics to be 108,000 in 1982, with a projected increase of 20,000 by 1995. This will place increased demand for Air Force trained aircraft mechanics. Retention is a function of individually perceived effects of family separation, promotion opportunity, job satisfaction, pay, military life style, and career security.

Individual perception of the amount of family separation is a leading determinant affecting retention and career motivation. This is especially true among personnel serving in their initial tours of duty and can be quantified in terms of training, separation, and accession costs. From a pure retention standpoint, the six-month rotation proposal could result in unacceptable experience losses and in the long-term reduce readiness.

Families

> "Air Force families are no longer the minority. Two out of three Air Force members today are either married or single parents. This shift, coupled with the trend toward greater interdependence among family members, makes families more than just dependents of Air Force members. They are now a vital part of the mission support system upon which the Air Force depends. . . .Families can assist Air Force missions by supporting members, encouraging them through difficult periods, and complementing their responsibilities with the relaxation and comfort of a ready support group."[4]

People are attracted to a lifestyle that offers an improved standard of living and a high quality of life. Air Force families are no exception. During a 1982 survey conducted by Family Research & Analysis, Inc., for the USAF Chaplain Service, Air Force members and their spouses were asked what they consider to be most attractive about Air Force life. "Lifestyle considerations were mentioned by more husbands and wives than anything else." Although the majority of Air Force families are satisfied with the overall quality of Air Force life, there are perceived inadequacies and disappointments. "Married women," it was found, "are particularly frustrated by their husbands' temporary duty assignments, family separations, and what they consider to be inadequate family support from Air Force leaders."

Families Overseas. One of the major attractions of Air Force life to many Air Force husbands and wives is the experience offered, either actual or anticipated, of overseas assignments. "To deny members the option and support of allowing their families to accompany them on these assignments is not only likely to affect personal morale, but spouse support as well."[5] Since spouse support is so important to the morale and commitment of Air Force members, the support required to keep the couple together is a small price to pay for the benefits the Air Force receives from this action.

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[4] Families in Blue: Implications of a Study of Married and Single Parent Families in the U.S. Air Force, (Greensboro, NC: Family Research and Analysis, Inc., September 1980).

[5] Families in Blue, 1980

> "Unaccompanied tours are likely to increase the rate of marital separations and thereby add more instability to Air Force members as a result. Accompanied members are more likely to be stable members of their Air Force communities and this will reduce potential negative effects for host countries as well."6

Noncommand-Sponsored Dependents. Noncommand-sponsored dependents, in significant numbers, have become a reality at Air Force "unaccompanied" tour locations. The reasons for this phenomenon appear to be twofold: (1) American affluence, together with the higher military pay scales of recent years, combined with the advent of relatively inexpensive intercontinental travel; and (2) the substantial numbers of Service members who have married local nationals in these unaccompanied-tour nations.

Prior to 1973, if a dependent (using a tourist visa) visited a sponsor at a short-tour location for more than 60 days, that sponsor was penalized by losing credit for a "short-tour" -- in essence Service members received no credit for having served an overseas tour. A part of the rationale behind the old policy was the belief that the penalty for losing "short-tour" credit would be sufficient to control the condition. Under current policy, there is no penalty for noncommand-sponsored dependents joining their sponsors at their own expense. The reason behind this change was the realization that the penalty failed as a deterrent for controlling the introduction of noncommand-sponsored dependents.

COST FACTORS.

In its report, the HASC acknowledged that increased PCS costs may result from the adoption of a six-month unaccompanied unit rotation policy. However, it was the Committee's belief that the reduction in the cost of the dependent-related expenditures might offset these increases. This section provides information on the economic considerations of the six-month unaccompanied unit rotation policy for ground and air combat units to Europe and the Pacific.

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6 Families in Blue, 1980.

Travel and Transportation

Six-Month Unaccompanied PCS Tour Allowances. To determine the costs of the travel and transportation allowances associated with implementation of a six-month unaccompanied PCS unit rotation policy the following factors were considered.

- o Member Travel. Includes land travel and per diem from CONUS base to port. Computed based on the number of miles from the CONUS base to the port times the mileage rate. Also includes transportation travel cost from the port via MAC airlift at the MAC rate applicable in FY 1985 to the nearest overseas MAC terminal. Assumed Government transportation from MAC terminal to the duty station.

- o Dependent Travel. Only for CONUS designated point move (DPM). Officer and enlisted dependent travel was computed based on the number of miles from CONUS base to a designated place (used average miles for operational moves).

- o Household Goods Movements

  - oo Assumed unaccompanied baggage will be transported via MAC for member moves. Used FY 1985 cargo rate (assumed 500 lbs per person per shipment) times number of officer and enlisted moves.

  - oo Household goods shipments associated with the CONUS designated point moves were adjusted to delete the unaccompanied baggage allowance taken with the Service member. Household goods rates for officer and enlisted families are the same as a normal operational move and are extracted from FY 1985 actuals.

  - oo Assumed that household goods would be shipped and not stored on CONUS designated point moves.

- o Dislocation Allowances

  - oo Assumed Government quarters were available and single dislocation allowance would not apply.

- oo Married dislocation allowance was applied for families making a designated point move.

- oo Average officer and enlisted rates are equal to one month basic allowance for quarters as reflected for FY 1985.

- o Storage

  - oo Temporary. Storage in transit was assumed not to be applicable.

  - oo Nontemporary. Assumed only personnel without dependents would place household goods in permanent storage. Nontemporary storage rates used for officer and enlisted personnel are the FY 1985 rates.

- o Automobile Shipments

  - oo Assumed only a small percentage of Service members would ship automobiles as a result of the short duration of the assignment and because Government quarters would be available.

  - oo Fiscal year 1985 composite rates for officer and enlisted Service members were applied to the respective population shipping automobiles. Port handling rates were included in the composite rates used.

- o Family Separation

  - oo Type-II rate is $60.00 per month for unaccompanied Service members with dependents.

  - oo Assumed, in all instances, Government quarters are available for the Service member (no FSA-Type I payments).

- o Station Allowances

  - oo Cost of Living Allowance (COLA)

    - ooo Assumed all officers would receive COLA based on the FY 1985 average monthly payment.

ooo Assumed all enlisted members would receive COLA based on the availability of Government mess and quarters.

oo Overseas Housing Allowance. Would not be paid because Government quarters are available.

o Temporary Lodging Allowance/Expense (TLA/TLE)

oo Assumed Government quarters are available on arrival and departure, therefore TLA is not applicable.

oo TLE is payable for two days prior to overseas departure and four days on return from overseas. Assumed personnel without dependents and those making designated point moves would take TLE upon going overseas and coming back.

Under a six-month unit PCS program, the number of Service members moving annually would increase significantly. Table 4-25 indicates the number of Air Force Service members assigned to operations and maintenance squadrons that would be impacted by the unit rotation concept.

TABLE 4-25
AIR FORCE MEMBERS ASSIGNED TO OPERATIONS AND MAINTENANCE
SQUADRONS IN EUROPE AND THE PACIFIC
As of 1 October 1985

	Officer	Enlisted	Total
USAFE	1578	16226	17804
PACAF	661	7054	7715
TOTAL	2239	23280	25519

SOURCE: Air Force Staff Study, "Rotation of Combat Maintenance and Operations Squadrons to Europe and the Far East," 1986.

Table 4-26 reflects the annual PCS moves in today's environment and then the number of moves required by a six-month tour. The net increase is 83,086 moves annually.

TABLE 4-26
PCS MOVES TO SUPPORT AN AIR COMBAT
UNIT ROTATION CONCEPT TO EUROPE AND THE PACIFIC

STATUS QUO

	End of Tour	Replacement	Total
Officer	857	857	1,714
Enlisted	8,638	8,638	17,276
TOTAL	9,495	9,495	18,990

SIX MONTHS UNACCOMPANIED

	Initial assign	End of Tour	Replacement	End of Tour	Total
Officer	2,239	2,239	2,239	2,239	8,956
Enlisted	23,280	23,280	23,280	23,280	93,120
TOTAL	25,519	25,519	25,519	25,519	102,076

SOURCE: Air Force Staff Study, "Rotation of Combat Maintenance and Operations Squadrons to Europe and the Far East," 1986

Table 4-27 reflects the cost of the current individual replacement system with established tour lengths compared to a six-month unaccompanied PCS tour. The shorter tour has two alternatives:

- o Current designated place move policy is continued.
- o Change of policy to prohibit a designated place move.

TABLE 4-27
ANNUAL COST TO SUPPORT
A SIX-MONTH PCS TOUR
(In Millions)

	Current	6-Month with DPM	6-Month W/O DPM
Move Costs			
Member Travel	18.5	88.6	88.6
Dependent Travel	9.0	4.3	
Household Goods	49.6	118.4	58.3
Storage	3.3	4.0	4.0
POV Shipment	5.4	4.0	4.0
DLA	5.4	5.0	
Total PCS Costs	91.2	224.3	154.9
Support Costs			
TLA/TLE	10.2	17.7	16.6
Station Allowances	23.3	.7	.7
Total Support Costs	33.5	18.4	17.3
TOTAL COST	124.7	242.7	172.2

Six-Month TDY Tour Allowances. An alternative to a six-month unit PCS rotation policy could be to send the unit on a six-month TDY. The average annual cost for this type of tour would be $9,750 per officer and $4,670 per enlisted member. Table 4-28 reflects the costs associated with the six-month TDY unit rotation option.

TABLE 4-28
ESTIMATED TEMPORARY DUTY (TDY) COSTS
PER DIEM AND ON BASE BILLETING
Annual Basis (in millions)

	Officer	Enlisted	Total
USAFE	15.4	75.7	91.1
PACAF	6.4	32.9	39.3
TOTAL	21.8	108.6	130.4

SOURCE: Air Force Staff Study, "Rotation of Combat Maintenance and Operations Squadrons to Europe and the Far East," 1986.

Dependent Schools

A reduction in dependent students will result in a lower number of instructors. However, some of the savings to the Government will be offset by payments to local school systems for educating military dependents in public schools. Public Laws 81-874 and 81-815, administered by the Department of Education, govern the payment of Federal funds to localities for student education and school construction.

Public Law 81-874 authorizes financial assistance for maintenance and operation of schools to local education agencies on which activities of the United States place a financial burden. The exact amount of the Government contribution is based on the local district contribution, not the average per-pupil expenditure. From the local contribution rate is derived the amount (33 to 100 percent) the Government pays. The amount varies depending on the category of the student (i.e., those residing on Federal property or with a parent employed on Federal property or dependents of active duty Service members). The rate is also based on the proportion of Federal dependents to the average daily attendance.

Public Law 81-815 authorizes Federal financial assistance for constructing urgently needed minimum school facilities in school districts having substantial increases in enrollment due to new or increased Federal activities. Public Law 81-815 funds are provided as a percentage of the average per-pupil cost of constructing school facilities in the State in question, the percentage (50 to 90 percent) dependent on the status of the child's parents (residing on- or off-base)

Fiscal year 1985 cost to educate a student in Europe was $3,414. This figure accounts for costs associated with salaries, operations and maintenance expenses, and dormitories. It does not include the per capita share of real property such as desks, tables, cafeteria equipment, and audio-visual items nor does it include textbooks or major construction. As noted earlier, the monies saved by a reduction of dependents will be offset by P.L. 81-874 and P.L. 81-815 expenditures. In FY 1985, the average per-pupil expediture was $3,086. The incremental savings is $328 per student, the difference of the overseas cost of $3,414 (DODDS), and impact aid expense of $3,086.

Notwithstanding, it must be realized that under a unit rotation scheme the only dependent students that will be withdrawn from the DODDS system are those whose sponsor is assigned to deploying units. As Table 4-29 shows these numbers are relatively small.

TABLE 4-29
AIR FORCE DEPENDENTS AT USAFE AND PACAF
OPERATIONS AND MAINTENANCE SQUADRONS
(OCT 85)

	Mil	Depn	0-5	6-11	12-14	15-18	19-21	Adult
Officer	2239	3083	863	511	202	121	15	1371
Enl	23280	23546	6416	4428	1497	1066	176	9963
Total	25519	26629	7279	4939	1699	1187	191	11334

SOURCE: Air Force Staff Study, "Rotation of Combat Maintenance and Operations Squadrons to Europe and the Far East," 1986.

With an estimated 7,825 Air Force school age (6-18 years of age) dependents being located in the CONUS rather than overseas, the estimated savings to the Government would be less than $3M. However, what cannot be factored into these computations are the claims that would be made under P.L. 81-815, as a result of these dependents having to attend public schools in the United States.

Family Housing

The cost of operating and maintaining Air Force family housing in Europe and the Far East includes furnishings, leases, and management at the community level. There are 33,181 units currently, of which 27,935 are in Government-controlled housing areas, and 5,246 are leased. Currently, the operations and maintenance costs in USAFE for FY 1985 were $99.8M for the 16,265 Government-controlled units. The costs in PACAF were $100.5M for 11,670 Government-owned units. Each of the 5,045 leased quarters in USAFE cost an average of $6,644 per year, and the 201 leased units in PACAF cost an average of $8,935 per year.[7]

Maintaining dependents in the CONUS will result in increases in VHA and FSA-Type II payments. Average Air Force BAQ/VHA rates for officers are $413 per month and for enlisted members $173.75 per month. FSA-Type II rates are fixed at $60 per month regardless of rank. There are approximately 1,500 officers and 14,400 enlisted members assigned to combat units in Europe and the Pacific with command-sponsored dependents. Accordingly, the estimated increase in VHA payments would be $38M and the estimated increase in FSA-Type II payments would be $11.6M -- a total increase in housing allowances of $49.6M.

The increased unaccompanied personnel would also need to be housed. Given that the current bachelor officer quarters (BOQ) and bachelor enlisted quarters (BEQ) are at 100 percent capacity and assuming that all dormitories are at or above 100 percent capacity, the Air Force would need to provide living space by either constructing new facilities or converting the vacated family quarters. Constructing new facilities would cost over $200M, while converting vacated family quarters would be cheaper, it would mean that more accompanied personnel (support units) would have to remain off-base.

Medical and Dental Costs

Air Force dependents in Europe and the Pacific are provided medical care and limited dental care. Shifts in location of the dependent populations from Europe and the Pacific to the CONUS can be expected to have impacts on availability, use, and costs of both medical and dental care in both the overseas locations and in the CONUS.

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[7] U.S. Air Force Staff Study, "Rotation of Combat Maintenance and Operations Squadrons to Europe and the Far East," (Office of the Deputy Chief of Staff, Personnel, 1986), p. 29.

Table 4-30 summarizes the estimated number of dependents at the Air Force bases affected by the proposed rotation policy and their estimated medical care requirements. Dental care requirements are examined on a per capita basis. This data will be used to analyze the health care impacts of the proposed change.

TABLE 4-30
MEDICAL AND DENTAL CARE IMPACTS
OF A SIX-MONTH ROTATION POLICY

Measures	Volume	Percent of Overseas Total
Dependents Relocated	23,942	N/A
Beddays	13,407	5.7%
Outpatient Visits	217,470	7.7%

SOURCE: U.S. Air Force Staff Study, "Rotation of Combat Maintenance and Operations Squadrons to Europe and the Far East," 1986.

Both medical and dental care are provided to dependents to the extent space and capabilities are available. This is true overseas and in the CONUS. In general, current medical and dental capabilities do not allow USAF medical and dental treatment facilities to fully meet the requirements of dependents. This means access to care is limited almost everywhere.

Medical and dental care cost impacts of the six-month rotation policy are portrayed in Table 4-31. As noted above, it is anticipated that there will be no changes in costs overseas. The CONUS medical care costs reflect both the Government cost associated with providing this care under the CHAMPUS program and an estimate of the beneficiary costs. The beneficiary costs are those associated with required CHAMPUS deductibles and co-payments and also out-of-pocket costs for billed charges not allowed by CHAMPUS. Dental care costs are the estimated costs beneficiaries would incur to obtain all required dental care from civilian sources.

TABLE 4-31
MEDICAL AND DENTAL CARE COST IMPACTS
SIX-MONTH UNIT ROTATION POLICY

Overseas	
Medical	none
Dental	none
CONUS	
Medical	
CHAMPUS Government cost	$14.6M
Beneficiary Cost	6.2M
Dental	
Beneficiary Cost	2.6M

SOURCE: U.S. Air Force Staff Study, "Rotation of Combat Maintenance and Operations Squadrons to Europe and the Far East," 1986

The proposed change will reduce the number of dependents seeking care overseas while increasing the number seeking care in the CONUS. We expect the impacts of this shift to differ overseas and in the CONUS. Overseas, the medical workloads associated with dependents to be relocated are small (6 to 8 percent) relative to the total workload provided overseas by Air Force medical facilities. Medical personnel reductions will not occur as a result of these shifts. This is especially true since the number of military health care personnel currently assigned in Europe and the Pacific is not adequate to support approved NATO and other contingency plans. Thus, the decrease in number seeking care overseas will make available care more easily accessible to beneficiaries remaining overseas. Accordingly, it can be anticipated that there will be no decline in overseas workload or cost of overseas medical operations.

Those dependents relocated to the CONUS will bring their medical and dental care requirements with them. These needs will represent new demand for the medical and dental facilities at the TAC bases where these dependents are likely to relocate. The main issue for the CONUS medical and dental facilities is how much additional workload can be absorbed without incurring new building or personnel costs. These facilities are already like those overseas, providing nonactive duty care on a space-available basis with populations served experiencing limited access to care. The worst case analysis is to assume all of the medical care required by dependents relocated to the CONUS will be obtained under CHAMPUS while all the dental care will be obtained from civilian sources at family expense.

SUMMARY

A reasonable conclusion is to maintain the status quo. The six-month unit rotation policy will not achieve operational readiness gains nor will it achieve monetary savings. When weighing the nonquantifiable personnel costs, the expected decrease in retention is by far the most important. Based on historical precedent, the Department of the Air Force expects the six-month policy to produce increased separation rates, increased training cost for replacement personnel and decreased combat capabilities due to accelerated turnover.

A six-month rotation policy will not increase readiness. In fact, it will cause declines in morale, unit cohesiveness, family, finances, and readiness. More importantly, however, is that the six-month policy will increase costs. Table 4-32 shows the various costs and savings associated with a six-month rotation policy.

TABLE 4-32

SAVINGS/COST SUMMARY

(in millions)

	PCS with DPM	PCS w/o DPM	TDY
SAVINGS			
Dependent Schools	$3.0	$3.0	$ 3.0
COSTS			
PCS	242.7	172.2	
TDY			130.4
Medical	14.6	14.6	14.6
FSA	11.6	11.6	11.6
VHA	38.2	38.2	38.2
Total	+304.1	+233.6	+191.8
Current	124.7	124.7	124.7
Annual Net	+$179.4	+$108.9	+$67.1
One-Time Quarters Build	$200.0	$200.0	$200.0

While a six-month TDY unit deployment program (UDP) has benefitted the Marine Corps in reducing PCS costs, the same policy will not benefit the Air Force. The reason the UDP works for the Marine Corps is that their ratio of CONUS/overseas basing is 4:1. This ratio allows them to rotate each unit once every 24 months for a six-month TDY. With an 18-month period between each deployment, the Marine Corps has achieved a balance between family stability and family separation while at the same time reducing PCS costs. The Air Force does not have the CONUS sustaining base to achieve this same balance. The Air Force's CONUS/overseas ratio of air combat units is less than 2:1.

Senator JOHNSTON. It seems to me that that kind of approach ought to be studied in depth. Maybe it would be rejected. I would think your training would be much better. You would not need any of the civilian support, all of those things that you have there. Cost, it seems to me, would be down, and they would be much better able to perform their jobs.

Mr. COX. Much of that was studied in the PCS study that we reported to you last spring. But I am not sure everything in your proposal was, and that is the reason that I cannot say that we have an absolute answer for you. But we will summarize what we have already studied in this PCS study that we had conducted for over a year. We did deal with shorter tours, with more deployments, less dependents. But to answer everything that you have suggested in your proposal I cannot say that we studied everything.

So we need to work with you and make sure that those things are covered.

Senator JOHNSTON. I would appreciate receiving that for the record. I mean obviously I am not presenting this as something that ought to be done, but simply something that ought to be studied and looked at.

Thank you, Mr. Chairman.

Chairman STENNIS. Senator Proxmire, are you ready to proceed? You are next, if you desire to be. We can give you time to catch your breath.

Senator PROXMIRE. Mr. Chairman, I just arrived and I am not prepared, so I will defer.

Chairman STENNIS. I understand. I will come back to you.

REINSTITUTING DRAFT

Now, Mr. Secretary, here is a question here. Going back to the draft, I meant to ask this question when we were on the subject a few minutes ago.

Do we have the capability now, in your judgment, to initiate a draft, if necessary, and how long would it take to get a draft system functioning? I am talking about now in peacetime, of course.

Mr. COX. Well, we have, as you know, the registration requirements, but we do not do all the things that we would need to do under our current system to get it going quickly. It would probably take as much as 3 months, and probably more, to do all the things like evaluating people and finding out what their physical qualifications are and dealing with requests for exemptions and those kinds of things.

So we do not evaluate everybody that registers, but we register everyone. So it would take a period of time to mobilize that way.

Chairman STENNIS. Well, under the circumstances now prevailing I do not advocate initiating any draft. I do not want to be misunderstood on that under present conditions, but it is something we certainly do not want to forget how to do and be conscious of the possibility of that need. It is very, very essential under many circumstances and certainly a part of our machinery of operation.

Now, here is a question that carries some facts about the affordability of things. Forty-four percent of the defense spending is for pay and personnel-related costs. That is a good deal of money. Forty percent of spending is from prior-year appropriations. That leaves only 16 percent of defense spending to absorb reductions if personnel programs are exempted.

If the Budget Committee sets the same type of low spending limits that it has for the past few years, this subcommittee is going to have to make some pretty tough decisions. The Congressional Budget Office has recommended cutting back active military strength to 1982 levels as a cost-cutting measure. Secretary Cox, which manpower programs do you suggest that we look to first to minimize negative impacts on our military capability?

Are you prepared to answer that now? If not, you can wait and answer it for the record.

Mr. Cox. Well, sir, I respectfully could not suggest that you go to any one thing. We have done our best to try to balance the requests and bring down the personnel accounts as much as we possibly can, but still maintain the quality of the force that we think is so important. We have done our best to do that. So I cannot answer a question like that because we think we have done our best.

If your committee gets involved in finding some areas where you think there is some fat, then we will work with you and try to deal with those proposals that you have, but we cannot suggest any place because we think we have done our best to carve out all the fat.

OFFICER-TO-ENLISTED RATIO

Chairman Stennis. All right. Now, growth in the officer-to-enlisted ratio occurred primarily in the Army and the Air Force. In your judgment, what caused this growth and are you personally satisfied that a richer force was needed? Since the Navy officer-to-enlisted ratio has remained fairly level, why is the Department assessing reductions against the Navy as well?

Now if you are not prepared to answer that, certainly we would understand it—I mean without reviewing some things. You can answer it orally now, if you wish.

Mr. Cox. I would like to respond to it orally, sir.

Chairman Stennis. All right. Proceed.

Mr. Cox. I think the person that prepared the question may have an invalid assumption, and that is that the Navy officer-to-enlisted ratio has not grown. The Navy and the Air Force ratios did grow. They just did not grow as much as the Army's. And so there is some growth there in all of the services.

The question is: If we are going to take reductions, where do we take them? Another question is: Was the growth required? And, as I mentioned to you, we are doing our best in the study period to justify that growth, and if we cannot justify the growth we will not defend requirements that we cannot justify.

Now with respect to your question about why did the Army grow, we do not have the final answer on that. But what we suspect has happened is that early on in the administration the Army decided to keep a level end strength while they were rebuilding their force; to enrich the force while keeping it within the level end strength. This meant that they changed some force structure. They emphasized substitution of military people with civilian people. They emphasized contracting out. They did some other things.

And all of this required a larger percentage of managers to lead people. I am not saying that I can personally justify that. I am waiting until I see all of the results of this study before I personally commit myself to an answer, and the Secretary is taking the same position.

So when the Senate Armed Services Committee asked me the same question I said no, I cannot personally justify all of that growth. All of the growth in officer strength was the subject of valid requirements which were reviewed in my office and reviewed in the services, and confirmed by the Senate. But as we go back and try to balance these requirements and prioritize them there may be a different answer.

Chairman STENNIS. All right, sir.

Senator Proxmire, are you ready to proceed now, sir? We are glad to have you here.

Senator PROXMIRE. Thank you very much, Mr. Chairman.

HEADQUARTERS PERSONNEL

Mr. Cox, I would like to ask you about the same question that the chairman was pursuing, the notion that we have such an enormous amount of our military spending tied up in personnel and in commitments made in the past, which leaves us practically no discretion at all for each coming year.

Secretary Lehman, former Secretary of the Navy—I guess he still is Secretary of the Navy; he is about to leave, I understand—I think was a very thoughtful and provocative Secretary. He did a fine job with the Navy. And he argued that we have too many people in headquarters. Do you have any responsibility or authority with respect to, for instance, the manning of the Joint Chiefs of Staff or the Office of the Secretary of Defense?

Mr. Cox. No, sir, I do not. My responsibility is to implement the reductions when it is determined where they are going to occur. I am involved in the process of implementing the reductions mandated by the DOD Reorganization Act. But the Secretary and the Chairman of the Joint Chiefs and the commanders of the Unified Commands are the ones who are going to determine how to take those reductions.

Senator PROXMIRE. Secretary Lehman pointed out, for example, that the Office of the Secretary of Defense was supposed to have 50 staff people, and now he said they have 2,000. He said you have the same pattern even in his office—and he was Secretary of the Navy. He said the Navy has far, far more than was originally contemplated at the time we made this change at the end of World War II.

The criticism from Admiral Rickover and others has been consistent that we have a tremendous excess of headquarters personnel and it just grows and grows and grows and, of course, the people who make the recommendations are the people who are served by that personnel. Can you justify to me why it should increase 20-fold or 30-fold?

Mr. Cox. All I can say, sir, is that it is an infection that inflicts any large complex institution and leadership has to try continually to hold it down. It has happened to congressional staffs as well. And what we have to do, as leaders, is to continue to look and make sure that we justify the growth.

Senator PROXMIRE. You hit a sensitive note when you said it happens to congressional staffs.

Senator JOHNSTON. You are right; we have got a lot of dead wood back here, too. [Laughter.]

Mr. Cox. It has not struck me that way this morning, sir.

ENLISTED PERSONNEL AS HELICOPTER PILOTS

Senator PROXMIRE. Let me ask you, since you answered that question rather well, let me get into a more specific question, although I intend to pursue that seriously.

The Army is reporting considering having staff sergeants fly helicopters. What is the status of that effort and what is your opinion of the move? Why can't the Navy and Air Force use enlisted personnel for that, for flying helicopters?

Mr. Cox. I think the Navy and Air Force would be better qualified to answer that question for you. I think that the Army does use warrant officers now. They do not have commissioned officers in a lot of their pilot positions.

Senator PROXMIRE. The Army does, that is right. But my question is why doesn't the Navy and the Air Force do the same.

Mr. Cox. Well, the reason that is given by the Air Force is that in order to draw into the pilot corps the highly skilled people with the technical training that will stay and make careers of the service they have to have college graduates.

Senator PROXMIRE. Why do you have to have college graduates? What does a college degree have to do with flying a helicopter?

Mr. Cox. It is the amount of technical skill and intelligence that is necessary, and if you get that person you probably get a a person that has the kind of ambition and goals to have a college education.

Senator PROXMIRE. Not necessarily. I know lots of very smart people who never went to college.

Mr. Cox. I do, too.

Senator PROXMIRE. And it would seem to me that you can determine that on the basis of intelligence, on the basis of their knowledge of their job as helicopter operators and so forth. And I am sure that there are thousands of people in the military itself who have served with great distinction and do not necessarily have a degree from college or who have to be college graduates.

Mr. Cox. I understand your position, sir.

Senator Proxmire. After all, the Army is doing it and doing it successfully with enlisted people. I presume those are not all college graduates.

Mr. Cox. I guess the follow-on issue is then if your whole corps is made up of enlisted people, do you expect enlisted people then to graduate into the management?

Senator Proxmire. I did not say the whole corps had to be made up. I said you can have some.

Mr. Cox. A mix.

Senator Proxmire. You can have a mix, sure. And in some cases a man who has been a pilot for years and does a great job I suppose you could promote him to lieutenant, captain and so forth.

Mr. Cox. I think it is worth consideration.

SIMULATOR USE IN FLIGHT TRAINING

Senator Proxmire. How much difference can simulators make in flight training?

Mr. Cox. I think they can make a lot of difference, but they cannot solve the whole problem. We are aggressively getting into the simulator business. But we have to be careful that it does not run away from us.

Senator Proxmire. The Navy does and the Air Force does not; is that right?

Mr. Cox. No. The Air Force has simulator training as well.

Senator Proxmire. Well, I understand the Navy factors simulator time into flying hour requirements, while the Air Force does not.

Mr. Cox. That may be, and if you have a question about that I am not completely versed on the data and able to give you an answer here this morning, but I would be happy to address it for the record.

Senator Proxmire. Let me return just one more question to my original point. Who is responsible for DOD manpower requirements as a whole?

Mr. Cox. My office is responsible for reviewing the policy on determining what the requirements are. The services traditionally have been given the responsibility to determine their requirements and present those requirements to Congress. And my office then is supposed to review how they have determined that and make sure that they have followed the rules.

Senator Proxmire. How regularly do you review those requirements?

Mr. Cox. We do that every year in the budget process.

Senator Proxmire. You have done it this year?

Mr. Cox. Yes, sir.

Senator Proxmire. For 1988?

Mr. Cox. Yes, sir.

Senator Proxmire. Thank you, Mr. Chairman.

Chairman Stennis. All right. Thank you, Senator.

Mr. Secretary, do you have any further observations or points that you wish to make?

Mr. Cox. No, sir. I just would like to thank you for permitting us to come and present our portion of the budget and for the courtesy and for the stimulating questions.

Chairman Stennis. Well, we certainly thank you for the special preparation you made and you are very conversant with your subject and your duties and responsibilities. It is quite helpful. I am going to write a note to those members who could not come this morning at this particular time and suggest to them that they review your testimony as well as questions from others and the answers. It is just well done and an asset.

I have two additional questions here I want to put in the record here for the Secretary's attention later in finishing out his responses.

All right. Again with the thanks of the committee may I return back to one question? Mr. Secretary, do you believe that the All-Volunteer Force is capable of sustaining defense manpower requirements during a 90-day war? I do not know that that is a hard matter to answer, but comment on that general subject.

Mr. Cox. Well, it depends upon the nature of the war, sir.

Chairman Stennis. Yes. Well, non-nuclear. Let us put it non-nuclear anyway.

Mr. Cox. But still, even if it is a very intense conventional conflict we would have to do things to mobilize reserves and potentially even institute some conscription, especially of some specialized areas that we need.

Chairman Stennis. What about a 6-month war, if that has a definite meaning?

Mr. Cox. It is the same answer only it is more likely that we would require conscription.

NEED FOR DRAFT

Chairman Stennis. At what point, in your opinion, would a draft be necessary? I used to worry about this when I was on the Armed Services Committee.

Mr. Cox. That is a different situation, sir. A draft might be necessary within the first month and yet depending upon the kind of conflict it might not be necessary at all.

Chairman Stennis. Well, I wanted to bring that out now just to show the people how difficult it is to get to this. You cannot say yes or no or anything like that on a question like this, but it is well that we be thinking about it and worrying about it some. I have an old friend down home who said well, the things we worry about a lot do not happen.

All right. Senator, we were not exactly waiting for you, but we are glad you got here. We had a good hearing. You are recognized now.

Senator Stevens. Thank you very much, Mr. Chairman. I am sorry I was in another meeting.

Chairman Stennis. That is all right. Go ahead.

Senator STEVENS. I have been told that the continuing resolution reduces civilian personnel by $400 million, approximately 13,000 work-years, and this current budget shows that the DOD will actually increase work-years by 1,668, and almost 8,500 end strength. Now we placed a ceiling on overseas work-years in the 1986 actual level, but civilian personnel and NATO grew at a rate four times the U.S. domestic rate. That is an increase of better than 30 percent since 1982.

Realizing that we put a $400 million reduction on civilian personnel hiring by the Department of Defense last year, how did you decide to go up this year by 1,700 work-years and 8,500 in end strength?

Mr. COX. Sir, the increases we feel have been justified by the kinds of work that has to be done. The workload levels drive this, not the number of people.

The increases in Europe primarily deal with teachers in our DODDS school system because there are larger enrollments in the schools over there, and if we are held to a certain level then we are going to have to reduce the kinds of work that other civilians do if we get the teachers over there.

That is not the entire answer, but that is a major part of the answer. Those kinds of requirements are driving the request. But we are staying within the dollar targets that have been given to us.

The first year that we operated outside of the ceiling was not a good year. We had very much difficulty in managing to the dollar goals and the workload goals because of a lot of aberrations that there were in the system in terms of, for example, hiring and firing temporaries at the last minute and trying to smooth that out.

But I think now we have control of it and we are managing efficiently to the dollar controls that have been placed on us.

Senator STEVENS. Well, I have been told we have identified a $500 million requirement, an additional amount to the overseas station allowance fund for fiscal year 1987 due to the decline in the dollar. We expect the dollar to decline even further. That is going to increase the cost of these people abroad.

Mr. COX. That is right.

CIVILIAN PERSONNEL CONSTRAINTS

Senator STEVENS. What constraints have you placed upon civilian personnel to try and avoid the increase in cost due to the decline in the value of the dollar?

Mr. COX. We have not done anything to try to reduce the allowances to constrain the cost. We are trying to be fair to the people that are over there.

Senator STEVENS. Why don't you reduce the number of people?

Mr. COX. Because we have a need for those people, we believe, sir.

Senator STEVENS. At a rate of 30 percent a year increase?

Mr. COX. No, sir. It is a 2-percent per year over the projected program.

Senator STEVENS. No, 30 percent is in 1982. I stand corrected. But you have gone up in civilian personnel 30 percent since we put a lid on the military personnel, and in my judgment it is apparent that when you just could not get the people in uniform that the Department of Defense has continued hiring but hired civilians. The cost overseas is approximately the same.

Mr. COX. Well, what we have tried to do in the last 3 years in our total force concept is to get the job done with that kind of force that can most efficiently do it, and so we have changed some functions from military to civilian. We have used civilian employees in some cases. We have used contracting-out in some cases.

END STRENGTH LIMITATION

Senator STEVENS. Does that not effectively get around the end strength limitation we put on the military personnel?

Mr. COX. I do not think so, sir. We still have a mission to perform and we have to perform it.

Senator STEVENS. And if Congress will not give you military people, you can hire civilians, right?

Mr. COX. If funds are available to hire the people to do the job in the most efficient way they will be employed, yes, sir.

Senator STEVENS. We thought we did that last year. We put in an end strength limitation and now we find that it has not been at all effective in terms of overseas civilian employment.

Mr. COX. I would like to respond for the record in a detailed way and show you how each one of those requirements is necessary.

Senator STEVENS. I would like to ask, Mr. Chairman, we be provided a chart which shows the increase in civilian employment overseas both in terms of man-years and the cost of it since we put a ceiling on our deployment to NATO.

Mr. COX. We will do that for you, sir.

Chairman STENNIS. All right. You can supply that?

Mr. COX. Yes, sir.

Chairman STENNIS. And you will? Thank you.

[The information follows:]

EUROPEAN TROOP STRENGTH

The European troop strength ceiling took effect at the beginning of fiscal year 1983. Below is a chart which depicts civilian growth in work-years and its associated costs in Europe/NATO countries.

CIVILIAN WORK-YEARS AND COST IN EUROPE/NATO—FISCAL YEARS 1982–86

[Dollar amounts in thousands]

	Work-years 1982	Cost 1982	Work-years 1986	Cost 1986	Change in work-years percent	Change in dollars percent
Army	62,214	$1,251,064	70,647	$1,346,313	13.6	7.6
Navy	4,310	92,451	4,830	93.377	12.0	1.0
Air Force	14,258	250,320	16,621	282,837	16.6	13.0
Defense agencies [1]	8,906	192,142	10,203	282,533	14.5	47.0
Total	89,688	1,785,977	102,301	2,005,060	14.0	12.2

[1] Defense agency data only includes submissions from DoDDS, DCAA, and DLA. Other agencies were unable to provide work-year data in a timely manner.

Note: This disproportionate increase in the costs for Defense agencies is attributable to teacher salaries in DoDDS. Ninety percent of their increased positions since 1982 have been teachers. Additionally, the mean teacher salary increased 22 percent during the years in question.

NATO SUPPORT

Senator STEVENS. Mr. Chairman, I am a little disturbed because I think the activities of the Department of Defense are going to destroy the support for NATO. I support NATO. We have tried to put a limit on what it is costing us because I think every year it is going up and up and up, and people are getting more and more tired of the cost. I do not think the Department of Defense understands that those of us, both Senator Nunn and I, who put the limitations on the military people in uniform over there, or urged the Congress to do so, are great supporters of NATO and we see coming really a total erosion of support of NATO because of the increased cost.

Those people hiring civilians in place of the military people they cannot get are destroying the Nunn amendment, and I just do not understand why there is not some control in the Department telling people over there they cannot have any more civilian employees and that we must live within some limitations in NATO. Is that not the message that you have gotten in your position now, Mr. Cox?

Mr. COX. The message that I have gotten is to try our very best to live within the limits. I have also gotten a message that we need to perform our function, our mission. When I have schools over there that are growing beyond the legally required teacher-to-student ratio, I have to deal with that.

IN-COUNTRY PERSONNEL HIRE

Senator STEVENS. Identify for us the schools. You know, I have not been over there now, Mr. Chairman, for 3½ years in terms of inspection for this purpose. But I remember we went to one base and there were 40 people that had been hired in-country, civilians, hired to teach the language of their country to our people there—to teach it to the civilians, when it was not part of their job to learn that language.

Mr. COX. In a dependents' school? DOD?

Senator STEVENS. No. Well, it was a school that was for, I would call it a night school sort of thing for the civilian employees.

Mr. Cox. Tuition assistance kind of thing.

Senator STEVENS. It is a wonderful thing, but it seems to me that some restraint could be put in some of those expenditures and if those expenditures keep going up I predict for you that the Congress is going to react overwhelmingly to the cost of NATO. And right now, with the status of the arms control agreement we are probably going to need more money after we get an arms control agreement than less. I think that you are really going down the wrong way.

I have just got two more questions.

Chairman STENNIS. That is all right. Proceed.

Senator STEVENS. In Adak in my State there is no civilian community. There are three military bases on that island of Adak. Our State provides the schools or at least the instruction. But all other facilities, all other facilities on that island are the function of the Federal Government.

When there was a request for an additional school out there because of the increase in the number of children that needed a school, I was told we were running into all kinds of delays in getting the Department's support in building a school. And it seems that the Department is about ready to take the position that the State of Alaska ought to build a school out there although there are no State buildings, there are no civilian buildings. There is no building on Adak that is not owned by the Federal Government.

Would you tell me why there is the delay in designing and building this school in Adak when you are running pell mell in Germany to build new schools and provide new teachers? In this situation our State provides the education for these naval dependents, at a loss to our State, I might add, in terms of cost.

But we see no reason why we should provide the building. Now why is the Department not moving to provide the buildings that are necessary in Adak?

Mr. Cox. I will give you my best answer on what the delays are, but I do not think that your understanding of our intentions is accurate. We want to have that school built. We want to provide for the children. The problem is that it is in the United States and the laws that permit us to fund it are different than when the school is in a foreign country.

It is my understanding that the Navy has decided to put some money into its budget to build that school but is getting some strong opposition in the House of Representatives because the Department of Education is institutionally that part of the government that is supposed to fund the building of those schools and they have not done so in the past, although we have strongly urged them to do it.

Senator STEVENS. Then why don't you just tell them they cannot take the children to that place, if Members of Congress will not build the buildings there? We do not own any land out there. The Federal Government has the entire control of Adak. There is not one civilian installation there. As I said, there are three naval stations.

Mr. Cox. That may be the result if we cannot get the money to build the school, but we are trying to get the money to build the school. We have not been successful getting it from the Department of Education and so we are trying now to get it through the Navy budget.

Senator STEVENS. Well, I suggest you tell whoever in the House that is opposing it, send him over to the Senate and I will talk to him myself. If someone in the House is opposing that, they ought to look up the voter registration. There are more registered voters from the State of North Carolina on Adak than there are Alaskans.

Mr. Cox. Yes, sir.

Senator STEVENS. And it just is not an Alaska problem and yet we are plagued by the problems that our school people, our Alaska State Department of Education, are having in providing the education that should be provided those children. We want to do it, but we do not see why we should have to build the building.

Mr. Cox. Your State is not the only State where we have this problem. Senator Dole may give you some assistance on this, sir, because we have the same kind of situation in Kansas in some bases that are out away from any adequate tax base to support a school on the military installation.

Senator STEVENS. Well, I will tell you, in Kansas you could bus them to another community. You would not get very far busing them from Adak.

Mr. Cox. Yes, sir.

AIDS ISSUE IN MILITARY

Senator STEVENS. The last thing is I keep raising this issue of AIDS. I am continually concerned about our active duty personnel who are subject to assignment anywhere in the world and must take those assignments, and the Army has given us data showing an increase in the military applicants who have tested positive for AIDS. And I think that we have also had an increase in the tests for the current active duty personnel.

Now at my request in the past few years we have put in additional money for AIDS. Does that come under your program at all?

Mr. Cox. Partially, sir. I am very much involved in the development of policy on how to deal with people who have the disease or test positive for the antibodies. But the AIDS program is a part of the health affairs function and therefore is under the cognizance of Dr. Mayer, who is the Assistant Secretary for Health Affairs.

Senator STEVENS. Well, I did talk to him and I understand there is some opposition within the Department to some of the things that we have recommended. For instance, do you have an input on the testing of civilian personnel as they are sent overseas?

Mr. Cox. Yes, sir. We are right now involved in trying to make a decision within the Department about the extent of such testing and how the results of the testing will impact upon a person's assignment and his job.

Senator STEVENS. Well, now civilian people, when they are sent overseas, use military hospitals, do they not?

Mr. COX. Yes, sir.

Senator STEVENS. And they use military facilities that would not normally be used for civilians in the United States; is that not right?

Mr. COX. That is right.

Senator STEVENS. Why should they be treated any differently from the military people in uniform that are going to use the same hospitals?

Mr. COX. Well, there are some of us in the Department that believe that all civilians going on overseas assignments should be tested so we understand what kind of requirements are going to be placed on the hospitals and other facilities.

Senator STEVENS. That is my point.

Mr. COX. And we are in the process of proposing a program, as the State Department has recently done, that would require the testing of all civilians going overseas. The decision has not yet been made, though.

Senator STEVENS. I believe that anyone that is sent overseas by the Federal Government who would be eligible for care in a military hospital overseas ought to be tested to the same extent that any military person would. Because if they get over there and they show up with AIDS they are going to be involved in that hospital, the same hospital that military people use.

And I do not think we should allow people to be sent overseas who test positively for AIDS. If we do, we are just increasing the burden on those hospitals, and it seems to me to be a very obvious policy that we ought to adopt, and I think it is right to test military personnel who are in the service before they are sent overseas and I think all civilians should receive the same test.

I hope that you will pursue that. Mr. Chairman, I am coming to the conclusion, and we have conducted several hearings on that, that AIDS is already a plague and we better treat it as such or it is going to really have a serious impact on our military manpower and the use of our facilities overseas.

Mr. COX. I agree with you, sir. It is very serious and it is a very current dynamic, difficult issue.

Senator STEVENS. Thank you very much, Mr. Chairman. Thank you, Mr. Cox. Again, I am sorry to have been late.

Chairman STENNIS. That is all right. I am glad you got here. Gentlemen, I have five questions here I wish to turn in for the attention of the Secretary, and he can answer them for the record.

Mr. COX. I would be glad to.

Chairman STENNIS. Just one added word here. I referred a while ago to the early days of discussion about NATO and whether or not we would join up and have NATO, and I said that if we had not, all of Western Europe would have fallen into other hands a long time ago. But it certainly does create a lot of problems, and they are getting more and more acute.

And I think that the Senator from Alaska has touched a button here when he talked about the increased cost. It is running away in a measure, and I urge you to do what you can to get these costs under control and hold them down, because the military purposes of NATO are still in demand, I think, still necessary, and it would be a great mistake for us to move out of there too soon, a great mistake also to spend too much money there.

Do you have something further you want to say now?

Mr. Cox. No, sir. Thank you very much.

Chairman STENNIS. We certainly thank you for your testimony and your time and special preparation you made. This is very helpful, I can assure you, to the committee and will be helpful to others in dealing with these problems.

SUBMITTED QUESTIONS

At this point in the record, we will insert those submitted questions referred to earlier in the testimony.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY CHAIRMAN STENNIS

OFFICER REDUCTIONS

Question. Secretary Cox, please explain how the 1987 officer-to-enlisted ratio reductions were allocated between the Services.

Answer. The officer reductions allocated among the Services to fulfill the congressionally-mandated one percent reduction during fiscal year 1987 were calculated using the FY 87 authorized officer end strength as a base. This calculation took into account the growth in active duty commissioned officers that the individual Services had programmed for FY 87. By denying the Navy any growth, and achieving the remainder of the reduction on a proportional basis among the other three Services, the allocation is as follows: Army - 1,677, Navy - 1,576, Air Force - 1,698, and Marine Corps - 308.

Question. Growth in the officer-to-enlisted ratio occurred primarily in the Army and the Air Force. What caused this growth? Are you personally satisfied that a richer force was needed?

Answer. Much of the growth in the officer inventory of the Air Force occurred in the officer-intensive technical and scientific communities such as medicine, scientific research, computers, and communications. While the Army had some increases in these areas, it also had increases brought about by tactical doctrine changes that are reflected in modified force structures.

We are not satisfied that a richer force was needed. That is the rationale for conducting the ongoing officer requirements study. We hope to be able to assess, justify and validate the increase in officer requirements that brought about this growth. Until the results are available, we reserve our justification of the need for a richer force.

Question. Since the Navy's officer-to-enlisted ratio remained fairly level, then why is the Department assessing reductions against the Navy as well?

Answer. In the absence of a requirements study on which to determine the optimal allocation of the FY 87 officer reduction, the Secretary was forced to make an arbitrary decision for allocating the one percent FY 87 officer cut. A part of that decision was to deny any programmed growth for FY 87. This equated to reducing the Navy's FY 87 programmed officer end strength of 1,576.

Question. How will the 1987 reductions be taken within the Services? Who suffers? Will ROTC and OCS graduates and Reserve Officers be the service populations that absorb the reductions?

Answer. The Services expect to use primarily three methods for effecting the FY 87 officer end strength reduction. They all plan to lower accessions from what they had programmed, not continue O-3's who twice fail to select for the next higher rank, and involuntarily separate some junior reserve officers from active duty. Obviously, accessions of ROTC and OCS graduates might be affected by this reduction since they and the reserve officers on active duty will absorb the preponderance of the reductions scheduled for FY 87.

Question. I understand that the Department does not want to jump to conclusions on its officer requirements study, but if existing law does not change, the Department will be expected to make a two percent reduction in 1988. How will these reductions be allocated between Services and within Services? What legislative changes for officer management would be needed to ensure that the reductions are distributed evenly throughout the force?

Answer. There will be no decision on the allocation of the proposed FY 88 cut among the Services until the results of the requirements study have been made available and analyzed.

To ensure that the reductions are compatible with prudent force management, temporary legislation may have to be enacted to provide the Military Departments with greater management flexibility including exploring the option of separating regular officers. This would effectively remove the barrier of invulnerability that exists for approximately half the officer corps (those regular officers who have more than five years of service and have not been nonselected by promotion boards). It also would supersede the current law on eligibility requirements for retirement in grade for O-5's and O-6's and greatly expand the current selective early retirement provision (10 USC 638).

Question. The Congress did not cut overall end strength when it mandated officer reductions. The reduction of officers in 1987 was also an increase of enlisted personnel. This committee specifically funded these enlisted personnel in our 1987 bill. Where are these enlisted being allocated? What type of activities are they assuming.

Answer. The allocation decision by the Secretary of Defense was made on February 2 of this year. The Secretary did not want to make the decision until after the ongoing officer requirements study was complete. The same is true with the utilization of enlisted for officers. Until the study is complete, it is difficult to state what billets can be allocated to enlisted personnel. It is anticipated, however, that some billets in the areas of supply and logistics, communications, data processing, etc. can be filled by qualified senior enlisted personnel. This does not necessarily mean that there will not be a discernible decrease in efficiency and effectiveness. Additionally, there are some billets that will not be transferable to enlisted personnel due to advanced education and training qualifications that only selected officers possess.

Question. Please provide a chart that displays all reduction-in-force options available under existing law and the number of officers susceptible to each option by Service. Note what legislative changes would be needed to conduct a reduction-in-force (be specific).

Answer. There are several methods available to the Services for reducing their officer inventory. These include: (1) lowering the accession rate, (2) involuntarily separating regular officers with less than five years of commissioned service, (3) involuntarily separating reserve officers on active duty, (4) not continuing any O-3's who twice fail to select for the next higher rank, (5) selecting eligible officers for involuntary retirement. The following chart displays the total number of officers that may be affected by each method by Service.

METHOD	NUMBER OF OFFICERS AFFECTED BY SERVICE				
	ARMY	NAVY	USAF	USMC	DOD TOTAL
1 (SEE NOTE 1)	7,500	6,000	7,500	1,000	22,000
2 (SEE NOTE 2)	12,365	9,432	8,115	2,466	32,378
3 (SEE NOTE 2)	48,959	19,863	40,107	4,713	113,642
4 (SEE NOTE 3)	400	0	300	0	700
5 (SEE NOTE 4)	1,200	450	1,200	150	3,000
TOTAL	70,424	35,745	57,222	8,329	171,720

NOTES: 1 - Numbers do not include the Academy and ROTC graduates who receive regular commissions upon graduation.

2 - End of FY 86 data

3 - Service policy differs; Navy and Marine Corps do not continue any, while Army and Air Force continue a small percentage of number shown.

4 - Navy and Marine Corps cannot select out pre-DOPMA O-5's and O-6's due to section in DOPMA Transition Provisions.

To be able to conduct a force-wide reduction-in-force that would include all officers, legislation would have to be enacted to provide procedures for the involuntary separation of all regular officers. This could be accomplished by amending section 638 of Title 10, United States Code.

Question: The Department did not annualize 1987 officer-to-enlisted ratio reductions in its 1988 budget submission. How much could be reduced if the reductions are annualized? How much could be saved in 1988 and 1989 if the 2% and 3% shift goes into effect?

Answer: Assuming no ceiling is imposed in FY 1988/89, as much as $80 million could be saved in FY 1988 based on annualization of the shift from officers to enlisted in FY 1987. However, the Department has not yet arrived at a solution for complying with the further reductions required in FY 1988 and FY 1989. It is, therefore, difficult to project savings based on the 2% and 3% reductions with any accuracy at this time. Consideration must be given to how functions previously performed by officers will be accomplished--through substitution with enlisted personnel, civilians, through contract, or a conbination of these approaches. Also, the method required to separate the officers will have a decided impact on savings. Ideally the Services would like to make reductions which do not severely damage overall personnel management objectives. They will want to selectively separate so as to maintain quality personnel and protect balance in grades and skills. As a result, timliness of separations will suffer because of personnel procedures required for these actions. Also, many of the individuals will be entitled to severance pay of up to $30,000. This approach will probably also require legislative relief which could impact timely action. Based on these realities, net real savings in FY 1988 may be no more than $40 to $50 million or less. Savings in FY 1989 would be about $120 million.

ALL VOLUNTEER FORCE

Question: Do you believe that the All Volunteer Force is capable of sustaining Defense manpower requirements during a 90-day war? What about a six-month war? At what point would a draft be necessary?

Answer: The AVF is capable of sustaining a war for 90 days, and is much better than the materiel situation. The AVF is still sustainable for a six-month war particularly when the more limited materiel sustainability is considered. The draft would be necessary immediately upon initiation of war with the Soviet Union and would be likely to be called for prior to the initiation of hostilities as a crisis management step.

Question: Does the United States have the capability to initiate a draft if necessary? How long would it take to get a draft system functioning?

Answer: We do have the capability to initiate the draft and it can be functioning immediately upon Congressional decision to authorize it.

Question: Can the All Volunteer Force be maintained in an era when the eligible manpower pool is shrinking?

Answer: Yes. The ability of the Services to achieve their recruiting objectives does not depend solely on the size of the recruit-age population. For example, the 18-year old population peaked in 1979, the last year the Services failed to meet their recruiting objectives. That age cohort has declined by over 17 percent since then. Despite this, the Services have met their recruiting goals each year, and the quality of the new recruits has improved as well. One reason for this apparent contradiction is that the Services do not have to rely only upon this one age group to satisfy their needs. The 18-year olds only account for about 35 percent of the active force accessions each year.

The table below contrasts the primary recruiting market of males, ages 18 to 24, and projected non-prior service requirements of the active and reserve components in 1996, the low point of the youth population; 1974, the first year under the volunteer concept; 1979, the worst recruiting year experienced since then; and 1986, the most recent year.

FY	18-24 Year Old Male Population	Qualified* 18-24 Year Old Males	NPS** Male Accessions	Percent Qualified 18-24 Year Olds Needed
74	13,736,000	7,441,700	404,271	5.4
79	15,186,000	9,474,300	340,098	3.6
86	14,162,000	9,025,500	364,314	4.0
96	11,840,000	7,334,300	374,000	5.1

* estimate of the physically, mentally, and morally qualified men who have not had previous military service and are not in institutions. Note that many of the 1974 youth had previous service in Vietnam, reducing the number of eligible that year.

** table assumes that all male NPS accessions are from these age cohorts. In fact, only 83 percent are 18-24 year olds, 9 percent are 17 years old and 8 percent are 25 or over.

As the table shows, although the population will continue to decline, the Services will only require a small percentage of the qualified and available young men. Even when the population size reaches its nadir, the Services will need a smaller proportion than they did in 1974, a good recruiting year. The decline in the youth population will clearly make recruiting more difficult, but not impossible. With adequate compensation and recruiting incentives and resources, the Services should continue to be able to achieve their accession objectives in the years to come.

Question: Defense manpower is at an all-time high in quality, but the available pool is shrinking and our end strength requirements are increasing. The Navy's percentage of high school graduates is decreasing, and its solution is to request increases in recruiting and advertising. Secretary Cox, don't you think that the quality of the force will have to drop below current levels? How do you evaluate how much is enough when examining the various recruitment and retention incentives proposed by the Services?

Answer: Yes, recruit quality will be reduced somewhat as the available youth population continues its decline. However, if we remain committed to the policies that made the volunteer force a success (competitive pay, reasonable quality of life programs and adequate levels of recruiting resources), recruit quality should not fall to unacceptable levels.

Generally speaking, in evaluating the Services' recruiting resource requests, we look at their relative recruiting success (to include the number and quality of individuals in their Delayed Entry Program), and adjust for modifications in recruiting requirements and/or projected changes in the recruiting environment. Requests for specific recruiting incentives, such as enlistment bonuses and supplementary educational benefits are validated against the well documented effects of these incentive programs on recruit supply.

Each year, during the formulation of the President's Budget, the OSD staff carefully evaluates each Service's recruiting resource request. Unrealistic requirements are challenged and where appropriate budget requests are reduced. For example, during review of the FY 1988 proposed budget, the Army request for enlistment bonuses and supplementary education benefits (Army College Fund "kickers") was reduced by about $50 million. Likewise, the Services' request for advertising funds was reduced by $24 million as the first-year incremental reduction designed to reduce Defense recruitment advertising expenses by 25 percent over a five-year period.

Question: 92% of non-prior service accessions have high school diplomas while only 75% of the available youth population does. Why does the quality of recruits need to be higher than the general population?

Answer: The Services prefer high-quality recruits for several reasons. They want high school diploma graduates because this group has significantly lower first-term attrition (20 percent vs 40 percent for non-graduates). High attrition drives up recruiting and training costs. The General Accounting Office estimates that early attrition losses cost the Government about $18,400 for each person who leaves service prematurely. Reducing the number of accessions with high school diplomas from 92 percent to 75 percent would require the Services to enlist about 54,000 additional non-graduates with their traditionally higher failure rates. This would result in an additional 11,000 early losses causing about $200 million in additional recruiting and training costs alone.

In addition, high-aptitude recruits are more trainable, perform better on the job, and are more productive than their lower scoring peers. Thus, the Services seek to enlist high quality recruits because they stay longer and are more productive. It is not clear what would be gained by attempting to exchange reduced recruiting resource levels for higher training costs and lowered force capability.

Question: How much could be reduced from the recruiting and advertising budgets if the Services were willing to return to the 1981 quality level of 81% high school graduates rather than the current 92%?

Answer: That is impossible to determine. The input/output relationship between recruiting resource levels and recruit quality cannot be predicted with precision. The primary reason is that the recruiting marketplace is affected by many variables -- population size, youth unemployment, public perception of the military, general economic conditions, etc. Each of these variables influences the Services' ability to recruit high-quality people and most are nearly impossible to forecast accurately. As a result, an attempted return to 1981 quality levels, which represents about a 12-percent reduction from current quality levels, might produce a 12-percent reduction in recruiting resources, or it might produce an even larger (or smaller) reduction in recruit quality, depending on market effects of the other variables.

For example, assume that a 12-percent reduction in recruiting resources would, in fact, produce a 12-percent decline in recruit quality. Using the FY 1986 active force recruiting budget, this would yield a savings of about $160 million. Reducing recruit quality to FY 1981 levels would mean the Services would have to accept about 34,000 more non-graduates with their historically higher attrition rates (about 40 percent of non-graduates fail to complete their first term of service as opposed to 20 percent for high school diploma graduates). This increased attrition would require that the Services recruit about 7,000 additional people each year just to achieve the same trained end-strength. The replacement costs (additional recruiting and training costs) are estimated at about $147 million (based on a GAO estimate of $18,400 for each person who leaves service prematurely). Consequently, the savings in recruiting and advertising resources are largely offset by higher recruiting and training costs associated with lowered recruit quality.

The benefits associated with high-quality recruits have been well documented and include reduced attrition, better job-performance, improved personnel readiness and lower rates of indiscipline. In Defense Manpower Quality, May 1985, we outlined these benefits to this Committee, and also described the difficulty associated with predicting the effect of incremental changes in recruiting resource levels. The report also made clear that the appropriate recruit quality mix cannot be determined as a fixed requirement, independent of supply and demand. Rather, it must be related to the costs of achieving it and the improvements in force capability that result. The value that is placed upon the resulting increase in effectiveness must also be carefully weighed against alternative use of the resources.

Likewise, the need for adequate recruiting incentives and recruiting resources is well established; the reduction in recruiting resource levels in FY 1976-77 along with inadequate pay and quality of life for military members resulted in the only recruiting shortfall in the history of the volunteer force in FY 1979. We have made substantial progress since then in rebuilding the quality of our Nation's defense forces. It is not clear what would be gained by reductions in recruiting resource programs simply to force the Services to accept some lower level of recruit quality and its attendant reduction in force capability.

Civilian Personnel Management

Question. Secretary Cox, the ability of the Department to continue adding more civilian positions each year is baffling. In 1987 the Congress cut your civilian personnel budget by $400 million. According to the budget data the Department submitted, this should equate to a reduction of approximately 13,000 workyears. However, your budget submission says that in 1987 you have not only failed to reduce employment, but also have added another 1,668 workyears and 8,486 end strength! How can this be? Is the Department overestimating the cost of an average workyear? Is it migrating money from other O&M programs to fund additional civilian personnel?

Answer. The Department of Defense considers its civilian work force to be a fungible resource, not a program which can be increased or decreased without significant impacts on readiness and other DoD major force missions. The workyear-related reductions applied by the Congress had significant impacts on our mission accomplishment and workload/work force planning.

The Defense Department's FY 1988/FY 1989 President's budget submission shows a civilian end strength increase of +11,234 spaces between FY 1986 actuals and the revised FY 1987 estimates. The President's budget also shows a decrease of -5,668 workyears between FY 1986 actuals and revised FY 1987 estimates. These numbers reflect part of the Defense Department's efforts to accommodate the congressional resource reductions. But it also reflects timing of work load execution. In some cases, depot maintenance work load execution was higher in the fourth quarter. We will continue to minimize full-time permanent employment by using temporary and part-time employees (which explains increased end strength) but we will work these people only when and where we need them (which explains lower workyears).

The Department is not "overestimating" the cost of an average workyear. In fact the Army underestimated their average workyear cost in FY 1986 which resulted in higher than projected expenditures. This estimation was corrected in the FY 1988/FY 1989 budget submission. We expend considerable time and effort in building correct workyear costs to arrive at an accurate picture of our resource requirements. At the same time, we continually encourage the Services and Agencies to hire the most cost effective employee grade mix to keep work force costs down. This is DoD policy, and we will continue to do this. The $400 million reduction which was imposed without program cuts has forced the Department to move funds from other O&M object classes to fund civilian workyear costs. While savings will accrue from the implementation of the civilian workyear limitation overseas and other management efficiencies as Congress anticipated, the full amount of this reduction could not be affected in the civilian personnel program without degrading programs beyond desirable levels.

Question. Secretary Cox, in your testimony you argue that it is not efficient to manage civilian personnel through workyear or end strength ceilings. The Department does manage military personnel by end strength ceilings. Why are ceilings good management tools for military but not civilian personnel?

Answer. Statutory ceilings are inefficient for managing civilian personnel because they can prevent the Department from using the most effective means of completing funded workload. We should have the freedom to match civilian employment to the job to be done, constrained only by the funds available. Arbitrary limits on end-of-year employment numbers can lead to wasteful practices such as dropping thousands of temporary workers just to meet ceilings.

By contrast, we maintain large forces of military manpower to establish the level of military capability necessary for our country's defense. Thus, setting total numbers of uniformed personnel in the Military Departments is an integral part of Congress' role in determining national defense policy. I must state, however, that although specifying overall military manpower ceilings is appropriate for the Congress, imposing subceilings, such as on European troop strength, can also impede the Department from carrying out its responsibilities effectively.

Question. The 1987 Continuing Resolution established workyear ceilings overseas at the 1986 actual staffing levels. What has been the impact of this ceiling?

Answer. The imposition of this ceiling has created significant difficulties for management of overseas civilian manpower. For example, DoD projects an increased requirement of about 1,000 workyears (mostly teachers) for dependent schools associated with student enrollments and education improvements. DoD must accommodate this increase by reducing support for other valid programs.

Army will be forced to return to borrowing military manpower to support their requirements and approved civilian substitution programs would be jeopardized.

In response to FY 1986 Appropriations Act criticism, Air Force executed 1,000 military to civilian conversions late in the fiscal year. As a result, a reduction of only 300 workyears was reflected in FY 1986. Therefore, Air Force is now forced to operate with a 700 workyear deficit.

The ceiling also greatly decreases the opportunity to hire dependents, a situation Congress has expressed concern about.

All Services have said that the increase in reporting requirements associated with their ceilings will be substantial. The Department is currently carrying out a data call to identify all of the civilian overseas workyears, because this is not a normal reporting requirement. We will inform the Congress of the final, validated overseas FY 1986 civilian workyear levels when they are available.

Finally, the manpower statistics which influenced Congress to set the overseas ceiling have since been shown to be erroneous. The 1986 Selected Manpower Statistics Report inaccurately portrayed Department of Army Direct Hire figures in Germany and Korea at 9,037 higher than actuals in FY 1985.

Civilian Manpower Management

Question. Please provide the Committee with the military and civilian personnel data (both end strength and work years) for Defense depot maintenance activities for 1980 through 1988. Also, provide data on how many positions were converted to contract during this same period for these activities.

Answer. The personnel data for Defense depot maintenance activities are provided in the attached table.

Within the requirements of Public Law 99-145 depot maintenance tasks are contracted out as workload varies. However, this is not done through the A-76 program and no civilian or military positions have been converted.

Both the total cost of Industrial Fund Operations and the amount of contractual services included in these total costs have been declining since FY 1985/FY 1986. The following table shows the total industrial fund operating costs and contractual services by year.

	DoD Industrial Funds ($ Mil)				
	FY 85	FY 86	FY 87	FY 88	FY 89
Cost/Opns	$25,335	$25,472	$23,923	$23,853	$23,417
Contrct/Supp	$8,930	$8,746	$7,411	$7,316	$7,194

DEPOT MAINTENANCE MANPOWER

Civilian Personnel: End Strength

	FY1980	FY1981	FY1982	FY1983	FY1984	FY1985	FY1986	FY1987	FY1988
Army	16,488	18,692	17,940	19,336	19,564	20,080	19,209	18,408	18,511
Navy	91,502	97,795	97,043	105,373	103,895	101,799	95,350	93,450	89,336
Air Force	33,473	32,488	36,001	35,968	38,708	38,040	38,039	38,038	38,506
Total	141,463	148,975	150,984	160,677	162,167	159,919	152,598	149,896	146,353

Civilian Personnel: Work Years

	FY1980	FY1981	FY1982	FY1983	FY1984	FY1985	FY1986	FY1987	FY1988
Army	16,585	17,200	18,573	18,921	19,403	19,203	19,525	20,064	18,491
Navy	94,150	97,973	104,460	105,408	104,634	102,847	98,575	94,400	91,393
Air Force		32,981	34,245	35,985	37,338	38,374	38,040	38,039	38,272
Total	143,735	148,164	157,278	160,314	161,375	160,424	156,140	152,503	148,156

Military Personnel: End Strength

	FY1980	FY1981	FY1982	FY1983	FY1984	FY1985	FY1986	FY1987	FY1988
Army	154	161	166	158	164	140	123	186	186
Navy	1394	1482	1363	1346	1354	1418	1361	1434	1487
Air Force	285	278	302	311	335	347	341	341	341
Total	1,833	1,921	1,831	1,815	1,853	1,905	1,825	1,961	2,016

Military Personnel: Work Years

	FY1980	FY1981	FY1982	FY1983	FY1984	FY1985	FY1986	FY1987	FY1988
Army	158	158	164	162	162	152	132	155	186
Navy	1343	1439	1424	1356	1350	1386	1390	1398	1462
Air Force	280	282	290	307	323	341	344	341	341
Total	1,781	1,879	1,878	1,825	1,835	1,879	1,866	1,894	1,989

Civilian Personnel Management

Question. On an annual basis, before and after 1983 (beginning with 1979), how many military and civilian personnel (in end strength and workyears) were involved in all components, commands, and activities accomplishing research, development, and testing related to strategic ballistic missile defenses? Please identify on an annual basis by component, command and activity, including specifically the SDIO.

Answer. The attached information is provided in response to the question. In some cases, information is not available in the format requested.

ARMY

KWAJALEIN (FP5D 665301)

	FY1979	FY1980	FY1981	FY1982	FY1983	FY1984	FY1985	FY1986	FY1987	FY1988
Civilian end strength	133	134	133	133	133	138	135	136	80	84
Military end strength	32	32	32	32	32	46	46	48	40	40
Civilian work years	131	131	132	132	132	137	136	136	80	84

STRATEGIC DEFENSE COMMAND HUNTSVILLE (FP5D 633304)

	FY1979	FY1980	FY1981	FY1982	FY1983	FY1984	FY1985	FY1986	FY1987	FY1988
Civilian end strength	148	150	150	150	150	174	174	689	920	967
Military end strength	16	16	16	16	16	17	17	104	114	120
Civilian work years	148	163	163	163	163	171	171	673	928	967

HEADQUARTERS SDC (FP5D 633308)

	FY1979	FY1980	FY1981	FY1982	FY1983	FY1984	FY1985	FY1986	FY1987	FY1988
Civilian end strength	142	142	168	193	365	462	488	Numbers for FY 1986-88		
Military end strength	17	17	23	29	62	99	104	incorporated in		
Civilian work years	141	139	163	188	337	426	523	SDC Huntsville		

TOTAL ARMY

	FY1979	FY1980	FY1981	FY1982	FY1983	FY1984	FY1985	FY1986	FY1987	FY1988
Civilian end strength	423	426	451	476	648	774	797	825	1000	1051
Military end strength	65	65	71	77	110	162	167	152	154	160
Civilian work years	420	433	458	483	632	734	830	809	1008	1059

Navy

	Strategic Defense Initiative		
	FY 1979-1987	FY 1988	FY 1989
Civilian End Strength	NIL	26	*17
Civilian Workyears	NIL	26	26
Military	NIL	NIL	NIL

Air Force

Air Force Research, Development, Test and Evaluation (RDT&E) manpower resources supporting strategic ballistic defense are not readily identifiable by Component, command or activity. RDT&E authorizations are managed and presented to the Congress on a utility of resource basis; that is, identified in Program Elements supporting the areas of: Science and Technology, Defense Wide Mission Support, Acquisition and Test. However, DoD manpower requirements are submitted to the Congress in the Defense Manpower Requirements Report (DMRR). This exhibit aggregates manpower by Defense Planning and Programming Categories (DPPCs) based upon the ten defense Major Force Programs. Identification of baseline RDT&E manpower resources by Procurement Program (P-1) or RDT&E (R-1) line item will require an extensive manpower analysis of the Service. Air Force has programmed additional RDT&E civilian manpower for the Strategic Defense Initiative (SDI). Authorizations provide technical and scientific base for Air Force laboratories and research centers executing Strategic Defense Initiative Organization (SDIO) research taskings. The FY 1988 request contains additional RDT&E civilians to address logistics planning, contract administration and program management. Air Force SDI end strength is as follows:

Civilian End Strength

	FY 1987	FY 1988	FY 1989	FY 1990	FY 1991	FY 1992
AF Baseline	354	479	524	577	572	572
FY 1988 Request	-	321	359	395	426	439
	354	800	883	972	998	1,011
Civilian Workyears*	N/A	N/A	N/A	N/A	N/A	N/A
Military End Strength	N/A	N/A	N/A	N/A	N/A	N/A

*Reimbursable end strength, workyears not applicable.

Strategic Defense Initiative Organization

	End Strength		
	Civilian	Military	Work Years Civilian
FY 1979-83	NIL	NIL	NIL
FY 1984	7	7	NIL
FY 1985	49	50	24
FY 1986	90	91	79
FY 1987	130	96	124
FY 1988	135	102	127

Defense Nuclear Agency

	End Strength		Work Years
	Civilian	Military	Civilian
FY 1979	1	NIL	1
FY 1980	1	NIL	1
FY 1981	1	NIL	1
FY 1982	1	NIL	1
FY 1983	4	1	4
FY 1984	12	9	12
FY 1985	12	9	12
FY 1986	12	9	12
FY 1987	9	9	9
FY 1988	8	9	[illegible]

Civilian Manpower Management

Question. Research and development appropriations doubled in constant 1988 dollars between 1980 and 1987. Please provide military and civilian personnel data (in end strength and workyears) for RDT&E programs on an annual basis for 1980 through 1988.

Answer. The information is provided in the attached table:

RDT&E Programs Civilian End Strength[1]

	FY1980	FY1981	FY1982	FY1983	FY1984	FY1985	FY1986	FY1987	FY1988
Army	28,744	21,355	28,382	29,166	29,767	31,316	27,450	26,117	25,846
Navy	30,774	31,205	31,012	33,304	34,352	37,568	36,654	37,002	37,162
Air Force[2]	18,629	18,813	18,735	19,162	19,257	19,269	19,005	19,815	11,714
OSD/ Agencies	718	729	794	836	896	974	1,135	1,156	1,193
Total	78,865	72,102	78,923	82,468	84,272	89,127	84,244	84,090	75,915

RDT&E Programs Civilian Work Years

	FY1980	FY1981	FY1982	FY1983	FY1984	FY1985	FY1986	FY1987	FY1988
Army	28,784	25,050	24,868	28,774	29,467	30,541	29,383	26,784	25,982
Navy	32,648	32,385	32,804	33,208	34,388	36,269	37,943	37,735	37,872
Air Force	18,068	18,249	18,173	18,587	18,679	18,691	18,353	19,173	8,624
OSD/ Agencies	699	724	762	815	866	935	1,055	1,146	1,175
Total	80,199	76,408	76,607	81,384	83,400	86,436	86,734	84,838	73,653

RDT&E Programs Military End Strength

	FY1980	FY1981	FY1982	FY1983	FY1984	FY1985	FY1986	FY1987	FY1988
Army	6,961	6,648	6,760	6,681	6,233	6,374	6,493	6,361	6,118
Navy	6,670	5,977	5,805	6,500	6,473	6,433	6,825	6,764	6,829
Air Force	16,034	16,225	16,807	17,258	17,716	17,996	17,665	17,753	10,836
OSD/ Agencies	218	218	210	213	214	271	329	339	348
Total	29,883	29,068	29,582	30,652	30,636	31,074	31,312	31,217	24,131

RDT&E Programs Military Work Years

	FY1980	FY1981	FY1982	FY1983	FY1984	FY1985	FY1986	FY1987	FY1988
Army	6,605	6,805	6,704	6,721	6,457	6,304	6,434	6,427	6,240
Navy	6,578	6,324	5,891	6,153	6,637	6,453	6,629	6,795	6,797
Air Force	16,140	16,212	16,420	16,919	17,322	17,720	17,719	17,565	14,189
OSD/ Agencies	217	218	214	212	214	243	300	334	344
Total	29,540	29,559	29,229	30,005	30,635	30,720	31,082	31,121	27,570

Notes

[1] Data ta for FY 1986-1988 sourced from September 1986, FY 1988-1989 Budget update and may be subject to change

[2] Effective FY1988 the Air Force Acquisition and Command Support Account transferred (7108 Military and 8550 Civilians) from RDT&E to O&M.

Civilian Personnel Management

Question. How many civilian and military positions (in end strength and workyears) were converted to contract in 1985 and 1986. What is the estimate for 1987 and 1988? What are the estimated savings? Please provide this data by military service and Defense agency.

Answer. Information on civilian and military positions (in workyears) converted to contract in FY 1985, FY 1986 and first quarter of FY 1987 is provided in the following tables. Information is not tracked by end strength.

Data for the remainder of FY 1987 and FY 1988 cannot be provided as it is not possible to predict the outcome of future studies.

DoD will realize estimated savings of $81.7 million in FY 1985 and $86.5 million in FY 1986 based on cost comparison studies.

Positions Converted as the Result of A-76 Comparisons

	FY 1985		FY 1986		1st Qtr, FY 1987	
	Civ	Mil	Civ	Mil	Civ	Mil
Army	1,315	214	1,713	873	1,426	116
Navy	404	869	1,853	150	16	160
Marines	156	5	20	52	9	0
Air Force	690	190	517	128	100	28
DLA	0	0	0	0	0	0
Total	2,565	1,278	3,603	1,203	1,551	304
Civ&Mil	3,843		4,806		1,855	

Civilian End Strength/Workyears/Contracted Positions, FY 82-86

Question. Last year the Committee's report noted the high rate of growth in Defense civilians in Europe between 1982 and 1985. We now understand we received some incorrect data from the Department. The growth in civilians in Europe/NATO was four times greater than the rate of growth in the United States---we had thought it was six-and-a-half times greater. Secretary Cox, why did the Department allow such high growth in Europe/NATO? It appears that it was a way a circumvent the military troop strength ceilings the Congress established.

For the record, please provide the Committee with workyear and end strength data by location---Europe/NATO, Japan/Asia, and U.S.---for 1982 through 1986. How many positions, both military and civilian, were contracted out by location during this same period?

Civilian End Strength by Regional Area for FY 1982 through FY 1986

	FY 1982	FY 1983	FY 1984	FY 1985	FY 1986
Europe/NATO					
Army	68,410	73,203	76,114	79,922	78,084
Navy	4,064	4,261	4,196	4,495	4,522
Air Force	13,950	14,260	14,355	15,492	16,269
Defense Agencies	9,003	9,733	10,408	10,999	10,467
Total	95,427	101,457	105,073	110,908	109,342
East Asia/Pacific					
Army	19,210	19,485	19,778	20,774	20,664
Navy	19,859	20,493	20,903	21,041	21,460
Air Force	9,567	9,625	9,419	9,933	10,199
Defense Agencies	2,206	2,263	2,381	2,449	2,305
Total	50,842	51,866	52,481	54,197	54,628
U.S. & Territories					
Army	285,250	292,698	302,475	314,184	309,476
Navy	293,208	312,347	314,749	325,067	313,986
Air Force	223,593	226,478	228,204	237,572	235,962
Defense Agencies	70,229	70,459	73,820	74,994	77,473
Total	872,280	901,982	919,248	951,817	936,897
Overall Total	1,018,549	1,055,205	1,076,802	1,116,922	1,100,797

* Note: These totals only reflect the sum of these regions and are not total DoD civilian manpower strengths.

Civilian Workyears for Europe/NATO, FY 1982-1986

	FY 1982	FY 1986
Army	62,214	70,647
Navy	4,310	4,830
Air Force	14,258	16,621
Defense Agencies	8,906	10,203
Total	89,688	102,301

This European workyear data was developed as a result of a Senate Appropriations Defense Subcommittee-mandated General Accounting Office Review entitled "DoD Civilian Growth, Especially in Europe." Approximately 3 months of research was necessary to provide the GAO this data. A significant portion of this time was spent in tracing workyear data by geographic region. The DoD has not managed civilian manpower by geographic region prior to FY 1987. Even after 3 months of research additional refinements are necessary. Therefore, reporting channels and data gathering are tediously slow. Hence, workyear data for East Asia/Pacific, U.S. and territories is unavailable on short-term request. The DoD will provide workyear data at a later time.

Positions Converted Through A-76 in the U.S.

	FY 1982	FY 1983	FY 1984	FY 1985	FY 1986
Military	314	857	788	1,278	1,203
Civilian	2,804	5,067	3,115	2,565	3,603
Total	3,123	5,924	3,903	3,843	4,806

The DoD will provide data on contracted positions in Europe and Asia at a later time. Non-CONUS operations are not subject to A-76 constraints.

Civilian Personnel Management

Question. The Navy and Air Force argue that civilian personnel should be managed by a payroll ceiling rather than workyears and end strength. We don't understand the difference. How can payroll be estimated without knowing the number of planned workyears and people on board? What is your evaluation of this management tool?

Answer. Management of civilian personnel by payroll budget, not ceiling, is a technique being tested by the Navy and now also by the Air Force.

It is true that civilian payroll estimates are formulated on the basis of programmed workload and an assessment of the manpower required to achieve that workload. However, subsequent management of the work force by payroll rather than mandated workyears and end strengths should permit managers the flexibility to vary the structure of the work force, within overall costs, to meet actual workloads more efficiently and effectively. It is an execution tool rather than a formulation tool which the Services hope will give line managers encouragement to make the decisions on required personnel classifications for the workload; hopefully it also encourages the use of more lower graded or temporary employees where appropriate.

Emphasis on civilian payroll management may also ensure that if significant variation from planned civilian manpower costs do occur there is full programmatic justification. The link between civilian manpower costs and program workload should be given more visibility.

Finally, management by payroll means that the Military Departments and the Office of the Secretary no longer have to become involved in approving minor employment changes during the course of the year as was necessary when ceilings were in effect.

Question. Secretary Cox, we hear from our constituents that Defense installations are managed by personnel ceilings. Last year the Army provided the Army Material Command with end strength ceilings. You tell us that managing by ceilings is inefficient--but, aren't you really just saying that you don't want Congress to manage by ceilings?

Answer. The Army requires their major commands to prepare employment projections by month and to manage employment within these projections. This ensures that civilian employment remains near budgeted levels. These projections differ from ceilings in that Headquarters, Department of the Army has the freedom to adjust the projections to meet new or emergency workload requirements. Removal of ceilings permits the Department the flexibility to more efficiently and effectively manage the work force as actual workload varies. Removal of ceilings also allows for implementation of appropriate internal control measures which can be varied as necessary when priorities change. The Department no longer has to become involved in approving minor employment changes in the Services during the course of the year.

Removal of congressionally-imposed ceilings also has the effect of emphasizing the focus on expenditure and the relationship between program workload and payroll. With ceilings, however, emphasis is on meeting an end of fiscal year strength control.

GI BILL

Question: The New GI Bill expires in the fourth quarter of 1988. My understanding is that the Administration proposes to make the G.I. Bill permanent, but change the program. The Administration would reduce benefits and have Defense pay the bill instead of the Veteran's Administration. Please explain the Administration's proposal in detail.

Answer: The Administration's proposal would make two changes to the New GI Bill, in addition to making the program permanent. Under the first change, the basic readjustment benefit, which currently amounts to $10,800 ($1,200 reduction in Service member pay, $9,600 Government contribution) for three, four, five, and six year enlistments, and $9,000 ($1,200 reduction in Sevice member pay, $7,800 Government contribution) for two year enlistments, would be realigned to offer a variable basic benefit whose value is dependent upon the length of enlistment.

Term of Service	Member Contribution	Government Contribution	Total Basic Benefit Entitlement
2-Years	$1,200	$1,200	$2,400
3-Years	1,200	3,600	4,800
4-Years	1,200	6,000	7,200
5-Years	1,200	7,800	9,000
6-Years	1,200	9,600	10,800

The benefits of those currently enrolled in the New GI Bill program would not be affected. The second change would transfer the responsibility for funding the basic benefit from the Veterans' Administration to the Department of Defense.

Question: What impact will these changes have on recruiting and retention?

Answer: Analysis of the test period for the New GI Bill as compared with a similar period for VEAP shows that the percentage of AFQT Category I-IIIA high school diploma graduate enlistments increased during the New GI Bill test period by one percent for the Navy, Air Force, and Marine Corps, and by 11 percent for the Army.

However, because of other concurrent recruiting incentive increases, such as the Army College Fund, it is not possible to attribute all of the Army's increase to the New GI Bill. The intent of the Administration's proposal to vary the basic benefit dependent on length of enlistment is to encourage recruits to enlist for longer terms of service, thus reducing overall recruiting and training costs. It is estimated that the proposed legislation will save as much as $400 million annually in outlays when the program reaches steady state. Based on the total package of recruiting incentives available, and the lack of a significant recruiting increase of the New GI Bill over the VEAP program, we believe the proposed legislation will have no negative effects on recruiting.

The effect of the New GI Bill on active force retention is not yet clear since those who initially enrolled have not completed their initial terms of service. However, we would expect that if truly motivated to enlist by the educational benefits offered under the New GI Bill, participants would leave the Service to utilize those benefits. Since the Administration's proposal would reduce the basic benefits associated with shorter terms of service, we believe that the proposed changes would dampen the negative effect on retention.

Question: Why should Defense rather than Veterans' pick up the bill? The beneficiaries are veterans, aren't they?

Answer: The Department of Defense (DoD) already funds both the Reserve Component educational benefits portion of the New GI Bill program and the "kicker" benefits (Army College Fund and Navy Sea College Program). Transferring the responsibility for funding the basic benefit from the Veterans' Administration to the DoD will place complete policy and fiscal responsibility for the New GI Bill with one agency and will permit the DoD a more integrated approach to the use of education benefit entitlements in support of its recruiting incentive program.

PAY RAISE

QUESTION: Why has the Department requested a pay raise for military personnel of 4 percent but only 2 percent for civilians?

ANSWER: There is no direct relationship between the pay levels and pay raises of military personnel and those of federal civilians. Each has its own personnel system and conditions of employment that necessarily require a compensation system, including determination of pay raises, that is specifically tailored to meet each's manning requirements. While the Defense Department recommends to the President the pay increase necessary to sustain the military force, the pay raise request for the civilian work force is set by the administration to apply government-wide and is based on different factors than those of the military. If the Services are to continue to sustain high quality recruiting and retention standards, monetary incentives must remain competitive with other employment alternatives. Military pay raises have been less than private sector pay raises in each year since FY 1982, and as a result, the Employment Cost Index (ECI) gap between the military and private sector is currently 9.4 percent.

Question. Your statement notes that military personnel are 9% below the private sector according to a comparison with the Employment Cost Index. Secretary Cox, are we comparing apples to apples--are all military benefits, including CHAMPUS, retirement, and VHA, included in this comparison? Please provide for the record all benefits included in this comparison and information on how the ECI survey is conducted.

Answer. Yes, we are comparing apples to apples. The Employment Cost Index (ECI) is published in two series--a wage and salary series that includes just wages and salaries and a compensation series that includes benefits as well as wages and salaries. The pay gap of 9.4% that we show is based on a comparison of military pay increases with the wage and salary series of the ECI and, therefore, we are comparing like items. We are working on a comparison of total compensation, which would include the value of benefits, but the results of that comparison will not be available for several months. Attached is a fact sheet describing the ECI:

Employment Cost Index (ECI)

- The Employment Cost Index (ECI) is a quarterly measure of the change in the "price" of labor,i.e., much like the Consumer Price Index (CPI) reflects price increases for a defined market basket of goods and services, the ECI reflects compensation increases for a defined labor market free from the influence of employment shifts among occupations and industries.

- The ECI is published by the Bureau of Labor Statistics in two series:

  - Wage and Salary series measures changes in wage and salary rates, defined as the hourly straight-time wage rate or, for workers not paid on an hourly basis, earnings divided by the corresponding hours.

    - Includes production bonuses, incentive earnings, commission payments, and cost-of-living adjustments.

    - Excludes premium pay for overtime, work on weekends and holidays, and shift differentials.

  - Compensation series that includes employer costs for employee benefits as well as wages and salaries. Benefits covered by the ECI include:

    - Paid leave-- paid vacations, paid holidays, paid sick leave, and other paid leave;

    - Supplemental pay--premium pay for overtime and work on weekends and holidays, shift differentials, and nonproduction bonuses;

    - Insurance benefits--life, health, and sickness and accident insurance;

    - Retirement and savings benefits-- pension and other retirement plans and saving and thrift plans;

    - Legally required benefits--social security, railroad retirement and supplemental retirement, railroad unemployment insurance, Federal and State unemployment insurance, workers' compensation, and other legally required benefits such as State temporary disability insurance; and

    - Other benefits--severance pay, supplemental unemployment plans, and merchandise discounts in department stores.

Pay Raise

Question. If military personnel are 9% below the Employment Cost Index, how far below the index are Department civilian employees?

Answer. The 9 percent figure for military personnel reflects the difference between the Employment Cost Index increase and military pay increase since the end of FY 1982. Over that same time period, civilian pay increases are 13 percent below the Employment Cost Index.

Goldwater-Nichols Reorganization Act

Question. Please provide a status report on the Department's efforts to implement the Goldwater-Nichols Reorganization Act.

Answer. The provisions of the Goldwater-Nichols Reorganization Act are being implemented within the Department under the guidance and supervision of the Deputy Secretary of Defense. On October 9, 1986, the Deputy Secretary issued an implementation plan which assigns lead officials to carry out the major provisions of the Act, establishes a schedule for their completion and identifies associated reporting requirements. The Deputy Assistant Secretary of Defense (Administration) is assisting the Deputy Secretary in this effort by providing appropriate staff support and monitoring implementation progress to ensure the timely accomplishment of all required actions.

On March 26, 1987, the Deputy Secretary of Defense chaired a meeting which reviewed DoD Reorganization Act implementation progress. That meeting indicated that progress toward accomplishing the goals of the implementation plan was satisfactory.

Question. The Goldwater-Nichols Reorganization Act mandates a 1988 reduction of 5% from a 1986 baseline for the Defense Agencies. Only the National Security Agency is exempted, though the Secretary of Defense has the authority to allocate the reductions between Defense Agencies or to allocate their reduction to the services instead.

o Secretary Cox, how many military and civilian positions are at stake when compared with the 1988 budget request?

o Why weren't these reductions integrated into the FY 1988 budget?

o We understand your office is studying the issue, but it would be helpful if you could tell use what this provision in the Reorganization Act could mean for various Defense Agencies. Which would be most affected, and which would the Secretary be most likely to exempt?

o Will we save money from these reductions or will they be absorbed through contracting out?

Answers.

o There are approximately 12,700 civilians and military positions difference between the level of manpower required in Defense Agencies and Field Activities by the Goldwater-Nichols Reorganization Act by FY 1988 and the programmed FY 1988 budget level. That equates to a 12.2 percent reduction against validated requirements.

o The Goldwater-Nichols Reorganization Act mandates a 5 percent reduction from a 1986 baseline for the Defense Agencies by FY 1988. Except for the National Security Agency which is exempted, the Secretary of Defense has authority to allocate reductions between Agencies or to allocate the reductions to the Services.

The programmed Defense Agencies manpower increases for FY 1988 were based on mission requirements validated by a joint OMB/OSD review of the budget. Rather than integrate the mandated reductions into the FY 1988 budget request in an arbitrary way, the Secretary has delayed allocating reductions until completion of organizational and management studies of Defense Agencies, which were mandated by the Act. The DASD (Administration) has been assigned lead responsibility for conduct of these studies. Among other things, they will address the potential impact of reductions on the separate Agencies. In this way, the Secretary will then have the latest available information on which to base decisions by the September 30, 1988 implementation date. This will help minimize the disruption to ongoing Department of Defense missions.

Study teams have been formed and indepth reviews of each organization have begun. Particular emphasis will be placed on the manpower ceilings assigned to each organization and alternate methods of achieving the mandated reductions. While the reviews are progressing satisfactorily towards a completion date of September 1987, I cannot yet say which areas will be most affected or which areas might be partially or fully exempted, if any, by the Secretary.

o The ASD (Force Management and Personnel) has been assigned lead responsibility for accomplishing the reductions.

In January 1987, the Deputy Secretary of Defense notified the Chairmen of the Senate and House Armed Services Committees of his decision to delay decisions on reductions until completion of the management studies.

o Without knowing precisely where the reductions will be taken it is difficult to comment on the financial implications of the reductions. However, it would be likely that some financial savings would result from the mandated reductions.

Question. For the overall Department, what will be the likely personnel impact from the Goldwater-Nichols reorganization? Will we see fewer administrative personnel in Defense? Will we see a shift to more teeth and less tail? Will average grade levels decrease?

Answer. The Goldwater-Nichols Reorganization Act mandates significant reductions or constraints to both military and civilian personnel numbers in various Department of Defense organizations. The Department is presently implementing actions to determine how best to meet these requirements.

The objectives of these actions include assessments of how to minimize the adverse impact of the Reorganization Act on the Defense Department and its missions.

As the first round of reductions and reorganizations will not be accomplished before October 1988 and given that both organizational changes and manpower reductions will impact on personnel, it is not possible yet to identify the implications for the final manpower resource mix in the Department.

Overall Military Personnel/Training

Question: The 1988 budget increased the Navy by 6,200 end strength and decreases the Air Force by 8,100. What force structure changes are driving these personnel realignments in the active force? Will they continue?

Answer: The Navy total ship battle force will increase by 13 in 1988, to a total of 582 ships. In 1989, the total ship battle force will increase by 23 to a total of 605 ships. Major manpower adjustments for this two year period include enhancements for strategic submarines (+2,162), +7 Ticonderoga class cruisers (+3,069), an Iowa class battleship (+1,299), +4 amphibious ships (+2,433), Special Naval Warfare (+483), mine counter measure forces (+607), and the fleshing out of hardware previously brought on line (3,312).

Fiscal constraints drove changes in FY 1988 Air Force programs which caused manpower reductions in tactical air forces (-3,000), mobility (-1,900), and training/pipeline areas (-1,900). A large portion of the manpower decrease (-3,500) is a result of Air Force efforts to contract out functions such as T-38 fighter lead in training aircraft maintenance. At the same time, increases were programmed in strategic defensive (+1,900), Ground Launched Cruise Missile (+1,060), and special operations (+1,000) forces. In FY 1989, end strength will increase by 1,900 to accommodate additional force structure/modernization, readiness/sustainability, and command and control improvements.

NAVY MANNING

QUESTION: How severe is the Navy's problem in manning ships? The two new carriers proposed in the 1988/89 budget will require more personnel than the carriers they will replace. How many more? Are you convinced the personnel will be available in the mid-1990's?

ANSWER: Past submissions of the President's budget have accurately reflected Navy's manpower requirements. Although Congress has provided less end strength growth than requested, we have been able to maintain the highest levels of fleet and manpower readiness through innovative management action. Missions formerly performed by the active duty Navy have been transferred to the Naval Reserve whenever it was possible to do so without compromising our readiness posture. We have transferred many funtions to our civilian work force and to contractors and have enhanced the productivity of our work force in general, thereby making more military end strength available to effectively man our expanding fleet. However, our ability to continue to pursue alternative means of meeting our manpower requirements is becoming limited. Without additional manpower growth, the sacrifices borne by our sailors will have to be increased in order to maintain current readiness levels as the fleet continues to grow.

Precommissioning manning for the two new carriers will commence in FYs 95 and 97 respectively. Ultimately, a net increase in Navy end strength of between 115 and 230 is anticipated, depending on which carriers are selected for replacement. This is growth of roughly 4 to 8 percent over the manning requirements of those carriers being considered for retirement.

Our ability to effectively man a 600 ship Navy has been a matter of concern for many since the concept was first proposed by the current administration. At that time it was Navy's position that manning 600 ships was possible if certain criteria were achieved. These criteria were: maintenance of pay comparability between private sector and military pay levels; the ability to target adequate bonus payments to retain personnel with skills highly sought in the private sector; authority to grow a manpower base sufficient to support reasonable sea/shore rotation ratios; and the provision of sufficient recruiting and advertising resources to obtain our required level of accessions in competition with the private sector as the manpower pool begins to decline in the 1990s. To date, these criteria have, for the most part, been fulfilled, and Navy has had notable success at recruiting and retaining sufficient manpower to meet our readiness objectives. If these criteria continue to be met, we do not foresee any difficulty in manning our forces in the mid-1990s.

Force Mix

Question: The active forces are remaining relatively constant while the Guard and Reserve continue to grow. Do you think this shift to Guard and Reserve forces will continue? What are the long-term impacts on Defense manpower programs?

Answer: Active component manpower grew by only one percent per year between FY 1980 and 1987. The requested net growth of 10,000 during FY 1988-89 is an average growth of only 0.5 percent per year. The Selected Reserve grew by 288,000 between FY 1980 and FY 1987, almost five percent per year, and will grow by an additional 16 percent (55,000) by FY 1989. The Department's policy will continue to be the use of the least costly form of manpower which has the capability to perform each function effectively. The active peacetime component will continue to be sized as small as national security policy, military strategy, and overseas commitments permit. A primary criteria in determining whether a military unit shall be active or reserve is the level of responsiveness required.

Under the Total Force Policy, we have increasingly staked our national security on the ability to mobilize, deploy, and employ combat ready reserve component units and members anywhere in the world rapidly. Today, many military contingency plans cannot be effectively executed without committing some or many National Guard and Reserve forces in the same time frame as Active forces. Such reliance on the reserve components requires that units of the Selected Reserve be manned at a level closely approaching wartime requirements, that early deploying units receive priority in modern equipment and effective and realistic training over later deploying units. The Department will continue to refine the tools used in the total Force decisionmaking process and to ensure that resources are programmed to allow units, active and reserve, to perform their missions.

FISCAL YEAR 1988 END STRENGTH REDUCTION SAVINGS

Question: What amount of the savings from the Air Force 1988 end strength reduction will not be realized because more civilians and contractors will be hired?

Answer: When the military manpower is reduced, the associated dollars are realigned in the budget to fund the contract or pay salaries for the additional civilians if the function remains in-house. It is true that some of the savings reflected in the military manpower end strength will be offset by Air Force civilians or contractor personnel. However, since the savings reflected are a result of on-going cost comparisons, it is not possible at this time to determine exactly what that offset will be.

Overall Military Personnel/Training

Question: Please provide the Department's views on managing military personnel by average strength rather than end strength.

Answer: The Department must have the management flexibility to allocate scarce manpower resources against competing workloads and to effect reasonable transitions from one strength level to another during a given fiscal year. Management by end strength allows the Department to accommodate the personnel turbulence associated with managing a force in excess of two million people. It is much more difficult to accommodate that turbulence when operating under average strength constraints, because each "overage" at the beginning of a fiscal year can require as much as 12 "underages" at the end of the authorization period to balance the man-year accounting process. Thus, problems with enacting manpower authorizations or delays in implementing those authorizations can cause manpower reductions far in excess of the numbers originally envisioned. It was precisely for this reason that the House and Senate Armed Services Committees, in their deliberations on the FY 1973 Authorization Report (H.R. 15495) concluded that existing law should be amended so as to provide for maximum end strength rather than average personnel strength. The Department believes that these concerns are still valid and therefore prefers to manage by end strength.

MILITARY PERSONNEL/TRAINING

Question. The Army is reportedly considering having staff sergeants fly helicopters. What is the status of this effort? What is your opinion of this move? Why can't the Navy and Air Force use enlisted men as pilots as well?

Answer. This effort is still in the study and evaluation phase. At present, there appears to be little support for its implementation. Until the Army provides some data that can be analyzed, I think that it is premature for me to express an opinion. The Navy and the Air Force use only officers to fly their aircraft, most of which are more sophisticated than the helicopters which the Army's warrant officers fly and which the Army is considering suitable for staff sergeants to fly. In order to ensure successful completion of a training program to fly very expensive and complex aircraft, the Navy and the Air Force desire the maturity and education level of a commissioned officer.

Overall Military Personnel/Training

Question: How much difference can simulators make on flight training? The Navy apparently factors simulator time into flying hour requirements while the Air Force does not. What role does your office play in addressing this issue? Is simulator time merely complementary or can it be substituted for flight time?

Answer: As stated in Department of Defense Directive 1430.13, "Training Simulators and Devices," simulators are an essential part of flight training. In part, the Directive, which was written and implemented by my office, states: "Properly used, such training simulators and devices facilitate: training that might be impractical or unsafe if done with actual systems or equipment; concentrated practice in selected normal and emergency procedures; the training of operators and maintainers to diagnose and address possible equipment faults; enhanced proficiency despite shortages of equipment, space, ranges, or time; control of life-cycle training costs; and reducing systems required in maintenance training."

This DoD policy is carried out by each Service in its use of simulators as integral parts of aircrew training programs. Simulators and lower-order training devices provide an opportunity to train specific requirements which are too hazardous (emergency procedures such as bail out; actual, partial or total power failure; loss of flight control, etc.) or too uneconomical (procedure drills, engine starts, check list practice, etc.) to practice in the aircraft. The simulator/training device as an integral part of the training system helps ensure that every flying hour is spent training productively and effectively. Even with the help of simulators, DoD does not have the number of flying hours required to train all of its aircrews to the maximum level of operational capability; therefore, there is no reduction of flying time based on simulator use. Where specific events have proven to be effectively trained in a simulator, those items are practiced, and, to the extent possible, proficiency is maintained, in the simulator. The flight hours previously dedicated to this requirement are then used for other critical operational training requirements which otherwise could not be accomplished.

Rather than "...merely complementary", the Services consider simulators critical to their flight training programs. Each of the Services agrees on the role played by simulators in aircrew training. None of them, however, reduces flying hours because of the use of simulators. The Navy estimates a two percent increase in readiness based on simulator training. The Air Force, though not quantifying the increase in readiness because of the diversity and various sophistication levels of its simulators, agrees that simulators contribute to overall operational readiness.

TPDC

Question: Several years ago the Department established a Training Data Analysis Center (TDAC) to analyze Service training programs. A year ago the Navy suggested the Center be abolished because it had accomplished little. What difference has TDAC made on Service training programs? Have any documented savings resulted from its effort? (For the Record--What are its staffing and budget levels?)

Answer: The Defense Training and Performance Data Center (TPDC) formerly called the Defense Training Data and Analysis Center (TDAC), was established in August 1984 as the focal point and central repository for training and training related information in the Department of Defense. In February 1986, as a result of Navy concerns, the Deputy Secretary of Defense directed a thorough review of the Center's performance, plans and management. Based on the recommendations of the review, the Deputy Secretary issued a June 1986 memorandum reconfirming the need for the Department to have a training data center. He also directed the name change to the Defense Training and Performance Data Center to emphasize the Center's role as a data repository and as a builder of tools for evaluating training and job performance.

All TPDC data base development efforts are sponsored by specific DoD components based on requirements for better training information. As a result, TPDC has developed data files and products that are being used now. In the short term, the products are being used to improve the management of the limited resources under the control of the individual sponsors. While useful today, the true value and potential of the data bases will be in the longer term when integration of several data bases can more fully support training related decisions on a much broader basis. Although it is possible to estimate and document manhour savings for each data request satisfied by the Center's automated files which provide information quicker, the true benefit will result from better decisions which establish more effective training for military forces and civilian personnel. Improvements in performance will positively affect readiness and increase our ability to achieve full military capability. The Department is committed to this effort to provide ready access to training and performance information for the Defense community.

The FY 1988 staffing and budget information requested is as follows:

	FY 1988
Dollars	5,316
Civilian E/S	51
Military E/S	12

FY 1987 OVERSTRENGTH

Question: The Department's military personnel continues to be overstrength. The Department has been overstrength each month so far in fiscal year 1987. In January the Department was 6,000 end strength over budget.

- What is the Department doing to get the military strength down?
- How much have we spent over budget so far?
- What is the split between officers and enlisted for this overstrength?

Answer: DoD end strength as of January 31, 1987, measured against the FY 1987 column of the President's FY 1988/FY 1989 budget, is only 2,900 over program. Individual Service actions to get back to program follow:

Army: Army rephased their manpower plan because of higher than planned end strengths early in the fiscal year. This revised plan supports the FY 1987 column of the President's FY 1988/FY 1989 budget. Army officers are below plan at the end of January by 464 spaces. Enlisted overages are 661 at the end of November, 860 in December and 1,513 in January. The net cost associated with the deviations from plan is $3.5 million. The Army is both reducing accessions and conducting an early out to reduce the enlisted manpower level.

Navy: As a result of implementation of the congressionally directed officer reduction, both officer and enlisted strength levels that are now anticipated will differ from

the plans provided in the FY 1987 column of the President's FY 1988/FY 1989 budget while the end of year total plan will be met. It is expected that some total overstrength will continue to exist until June, when the effects of the officer reduction are felt. Enlisted strength will increase within total authorized strength levels. However, this increase does not coincide with officer losses. Since the January strength was published, Navy has reconciled strength records as of January 31, 1987, an action that reduces their overstrength from 1,300 to 716. Through January, the overstrength has cost approximately $4.4 million. Because the overage is primarily in the lower cost E-1 and E-3 grades, Navy does not anticipate funding difficulties created by this temporary overage.
Air Force: Because of strength overages at the beginning of the fiscal year, the Air Force rephased their manpower plan resulting in reduced end strengths beginning in March to accommodate the overages early in the fiscal year. This is reflected in the FY 1987 column of the FY 1988/FY 1989 budget. The Air Force was on plan at the end of December. At the end of January, the Air Force exceeded their officer strength plan by 115 and the enlisted plan by 629. The cost associated with this deviation is $.9 million. This cost will be accommodated by reducing accessions.

Helicopter Pilot Training

Question: The Army and Air Force have consolidated helicopter flight training at Ft. Rucker. The Navy and Marines maintain a separate training installation. What is the Department's rationale for maintaining separate helicopter training bases? How much would be saved if they were consolidated?

Answer: The issue of consolidation of all Defenses undergraduate helicopter pilot training (UHPT) at a single base, Ft. Rucker, Alabama, has been studied repeatedly and in detail by the Department of Defense (DoD) and the General Accounting Office (GAO). In the late 1970s, when analysis supported the concept of consolidation, DoD proposed UHPT consolidation in four successive budget submissions. The Congress each time declined to allow consolidation and directed continuation of two separate UHPT programs.

In the 1980s, however, UHPT consolidation is no longer feasible. The increased number of students at Fort Rucker requires all of Fort Rucker's capacity. GAO again studied this issue in 1985 and agreed with DoD that UHPT consolidation is not feasible because of saturated air space, insufficient ground facilities, and lack of sufficient numbers of trainer aircraft of the proper types. A major factor in this change has been the introduction of new helicopters in the Army, such as the AH-64 and the UH-60. Post-UHPT training in these complex helicopters can be done much more efficiently and effectively at Ft. Rucker than in operational units, as was the case with older models. This conversion to centralized advanced training, along with increased demand for helicopter pilots to fill additional aviation units, accounts for the lack of extra UHPT capacity at Ft. Rucker. Since there is no spare capacity, there could be no savings from consolidation.

In fact, as is recognized in the question, a high degree of consolidation already exists in helicopter pilot training. Only two DoD bases are dedicated to this type of training. The Army and the Air Force have consolidated all of their helicopter pilot training at Fort Rucker, along with a large body of Foreign Military Sales (FMS) students, and all Army advanced training in complex new helicopters. The Army also trains air traffic controllers and other aviation specialists at Fort Rucker, and has recently opened officer basic and advanced courses for the Aviation Branch at that base. The Navy trains all of its UHPT students and all of the Marine Corps' and Coast Guard's, plus FMS students, at Naval Air Station -Whiting Field, Florida. This consolidation at two bases is the best solution to the problem of providing effective helicopter pilot training at an economical cost.

Overall Military Personnel Training

Question: Forty-four percent of Defense Outlays are for pay and personnel related costs. Forty percent of outlays are from prior year funded programs. This leaves only 16% of outlays for the balance of the Defense budget. If the Budget Committee sets the same type of low outlay allocations that it has for the past few years, this Subcommittee is going to have to make some pretty tough decisions. The figures I gave you show that personnel cannot be exempted. The Congressional Budget Office has recommended cutting back active duty personnel to 1982 force levels as a cost cutting measure. What impact would this recommendation have on our forces? What programs would you suggest we look to first to minimize the negative impacts?

Answer: Such an initiative reflects the view that this nations only priority is deficit reduction and that the best way to achieve this is to cut defense spending, regardless of our real security needs. An arbitrary reduction of more than 75,000 Active Component service members would virtually eliminate the steps taken to reverse the state of the Armed Forces that existed when this Administration came to office, signal a lack of American resolve to our friends and enemies alike, and fail to consider the very real threat that faces this nation.

Personnel Reliability Program

Question: Please provide data on the Personnel Reliability Program annually 1982 through 1987. How many personnel are in the program? How much does it cost to certify them? What are the attrition loses?

Answer: The only DoD program which is formally entitled the Personnel Reliability Program is established by DoD Directive 5210.42, "Nuclear Weapon Personnel Reliability Program" and relates only to people who have access to or control access to nuclear weapons, weapon systems, nuclear components or sealed authenticators. The standards in the PRP are applied only after people have been selected for nuclear duties, but before they can assume those duties. For this reason, we do not budget for PRP positions nor plan for a specific number. We can estimate the number of people who will be in the PRP based on the number in the DoD program at the end of calendar year 1986, 97,693. During 1986 there were 2,530 or 2.59 percent disqualified from the program.

GUARD AND RESERVE FULL-TIME MANNING

Question: The 1988 Budget proposes a 6,436 end strength increase for full-time manning of the Guard and Reserve. How many new Guard and Reserve units will be created with this increase? How much will be used to man existing Guard and Reserve units? How much more readiness will result from this increase--how many units would have changes in C status?
Answer:

Units in the Guard and Reserve are created to accomplish force structure missions and are manned principally with drilling reservists. Full-time support manning represents a small percentage of the total strength of Selected Reserve units. However, a portion of new fulltime support personnel will be assigned to new units. Since we have not been authorized all the full-time support required for existing units, it is not possible at this time to identify exactly which units will be manned and which units will have improved C status. Some very difficult decisions are now being made as to which requirements and units will receive the increased manning.

The objective of adding full-time support to Guard and Reserve units is to increase the readiness of these units by placing experienced full-time personnel for administrative support, training, supervision, supply and maintenance functions. This, in turn, allows drilling reservists to maximize drill time in their wartime missions.

Question: What types of Guard and Reserve units have the greatest requirement for full-time manning?
Answer:

Units having large amounts of complex equipment, requiring high levels of maintenance and support, as well as units that perform missions in support of the active components require the greatest levels of full-time manning. Examples of these types of units include the flying units of all the reserve components, and those units receiving modern state-of-the-art equipment similar to that in the active components. This is driven to a large extent by operations which require large numbers of logistical and maintenance support manpower resources.

Question: Secretary Cox, of the 6,436 full-time increase, 4,750 are for Active Duty Guard and Reserve personnel (AGRs) and the balance is for Civilian/Military technicians. Why doesn't the Department assign more active duty personnel to the Guard and Reserve instead of developing a separate military force of AGRs? As I understand it, your service--the Marine Corps Reserve--uses active military instead of AGRs. Is that correct? Wouldn't

detailing active duty personnel do more to develop a "Total Force" outlook?
Answer:

The Marine Corps uses both Active Duty and AGR personnel to provide full-time support to the USMCR. In FY 1988, there will be 2,015 AGRs assigned, with planned growth to about 2,500 in future years. At the same time, there are just over 5,000 active duty personnel assigned. The other reserve components also have large numbers of both types of personnel. For example, the Navy will have 22,500 TARs (AGRs) in FY 1988 along with 5,400 active duty personnel. The Army Reserve has in excess of 1,200 active duty personnel along with over 14,000 AGRs.

There is already a significant integration of the active and reserve components involved in the management and support of the reserve components. Reserve units and members participate daily with the active force in actual missions and in worldwide exercises. Total force is a policy that works every day-365 days a year-in the four military services. We see no advantage that would accrue to either the active or the reserve forces by increasing the number of active duty personnel assigned.

Question: Please describe the differences in full-time manning for Guard and Reserve and differences between the Guard and Reserve of the Army, Navy, Marine Corps and Air Force.
Answer:

By congressional direction, each reserve component has been free to develop a full-time support mix which is cost effective and which meets its unique force structure and mission needs. As a result of this direction, the full-time support population of the Guard and Reserve differ widely both in terms of type of support and in the ratio of full-time personnel to drilling reservists.

The Army Reserve components (Army National Guard and Reserve) use both AGR and Military Technician personnel. The Technician personnel are principally used in heavy maintenance and logistics functions, where the AGR personnel are principally in unit structure where mobilization and deployment are the primary functions. AGR personnel numbers are somewhat larger than the technician numbers in the Army reserve components. In addition, there are substantial Active Army personnel assigned to Guard and Reserve units to provide cross fertilization, inspection and communication with the Active Army.

The Navy Reserve uses AGR (TARs) and Active Duty personnel in similar functions interchangeably throughout the program. The TARs number about four times the number of active duty personnel. The Navy Reserve has not chosen to use civilians as military technicians.

The Marine Corps Reserve uses a preponderance of Active Duty personnel along with AGRs which will number about 50% of the active duty personnel in the program period. The Marine Corps Reserve also has not chosen to use civilians as military technicians.

The Air National Guard (ANG) uses both AGR and Military Technicians in similar functions as the Army Reserve Components. The AGR represents about three times the numbers of Military Technicians. There are also Active Duty Air Force personnel assigned to the ANG and number about 600.

The Air Force Reserve (AFR) uses a preponderance of Military Technicians in all support functions. A small number of AGR are used for management support and recruiting, while 600 Active Duty Air Force personnel are also assigned.

All reserve components use, in addition to the above, a number of "straight" competitive civilian employees in clerical and support positions. These personnel do not have any mobilization or deployment responsibilities.

Question: Are AGRs more expensive than Civilian/Military Technicians? Are they more expensive than active duty personnel?
Answer:

AGR compensation is virtually identical to active force compensation. AGR's are currently more expensive than technicians due to larger military pay increases in recent years.

Question: For full-time manning of the Guard and Reserve, the Congress has tended to favor adding Civilian/Military Technicians instead of Active Duty Guard and Reservists (AGRs). The Department's budget request calls for AGRs more than Civilian/Military Technicians. Please explain why the Department favors AGRs. What activities can an AGR do that a technician cannot? What type of units, if any, require AGRs?
Answer:

The AGR program, as it is known today, is a relatively recent program. In the approximately eight years of the program's existence there has been a spirited debate over the relative merits of AGRs versus the military technician. The AGR program originally grew out of congressional dissatisfaction with technician problems: unions, high costs; aging; etc.

Although AGRs and military technicians can and do perform the same functions in the various reserve components, we find that military technicians are especially effective in functional areas such as weapons systems maintenance and logistics, where the AGRs work better in unit training and mobilization billets.

VARIABLE HOUSING ALLOWANCE

Question. Secretary Cox, this Committee has been concerned with the annual growth in the cost of housing allowances. Several reforms have been adopted by the Congress to make the VHA programs more equitable and less costly. Can you tell us are you still paying VHA in virtually every location in the U.S. in which military personnel reside?

Answer. A VHA is being paid to at least some military members in each of the approximately 350 Military Housing Areas (MHAs) in the United States. Overall, approximately 98 percent of all eligible military members in the United States residing off post are being paid a VHA.

Question. The Congress directed that VHA rates be normalized so that the service person in Anchorage, Honolulu and every other location absorb "on average" the same dollar amount--not percent--out of pocket. Can you assure the Committee that this reform has been effected?

Answer. Yes. Under the provisions of the reform of the VHA in January 1985, the VHA rates are calculated such that military members of a particular grade and dependency status absorb, on average, the same dollar amount of housing expenses regardless of the MHA to which assigned.

Question. By grade and marital status please provide the average dollar amount absorbed for service members living off-post in high-cost areas.

Answer. Information provided at attached table.

Question. When Congress reformed the VHA, it directed that VHA rate changes be based on increases in the average housing cost in the U.S. as opposed to the average in military housing costs alone. From which baseline do you calculate VHA increases--average U.S. costs or average military increases?

Answer. Funding for annual increases in VHA rates is limited by law to the increase in the housing component of the Consumer Price Index (CPI), weighted by military members' housing expenditure pattern. The baseline for calculating VHA rates, therefore, is average U.S. housing costs. A survey to collect military members' housing costs is conducted every two years and is used to establish actual VHA rates in each military housing area. The rates are set, however, within funding limitations imposed by the change in the CPI.

FY 1987 VHA SURVEY
National Median Housing Costs, Basic Allowance for Quarters and Nationwide Average Absorption

WITH DEPENDENTS

PAYGRADE	NATMTHC	BAQ	ABS	BAQ (%NMTHC)	ABS (%NMTHC)
E-1	368.00	253.20	40.16	68.80	10.91
E-2	398.00	253.20	64.08	63.62	16.10
E-3	420.00	253.20	81.62	60.29	19.43
E-4	454.00	275.40	86.52	60.66	19.06
E-5	528.00	318.60	102.31	60.34	19.38
E-6	585.00	358.50	107.85	61.28	18.44
E-7	643.00	395.10	117.49	61.45	18.27
E-8	692.00	424.80	126.85	61.39	18.33
E-9	756.00	456.00	146.67	60.32	19.40
W-1	554.00	351.00	90.64	63.36	16.36
W-2	649.00	402.60	114.77	62.03	17.68
W-3	708.00	430.80	133.60	60.85	18.87
W-4	776.00	481.50	137.11	62.05	17.67
0-1E	563.00	343.20	105.61	60.96	18.76
0-2E	651.00	382.80	136.16	58.80	20.92
0-3E	738.00	446.40	141.92	60.49	19.23
0-1	563.00	343.20	105.61	60.96	18.76
0-2	651.00	382.80	136.16	58.80	20.92
0-3	738.00	446.40	141.92	60.49	19.23
0-4	883.00	535.50	168.41	60.65	19.07
0-5	973.00	585.90	189.76	60.22	19.50
0-6	1053.00	636.00	203.43	60.40	19.32
0-7	1132.00	701.10	201.31	61.93	17.78

WITHOUT DEPENDENTS

PAYGRADE	NATMTHC	BAQ	ABS	BAQ (%NMTHC)	ABS (%NMTHC)
E-1	229.00	141.60	40.95	61.83	17.88
E-2	259.00	155.40	51.07	60.00	19.72
E-3	314.00	183.00	67.31	58.28	21.44
E-4	320.00	188.40	66.70	58.87	20.84
E-5	371.00	217.20	78.55	58.54	21.17
E-6	399.00	234.90	83.17	58.87	20.85
E-7	447.00	264.60	91.74	59.19	20.52
E-8	525.00	309.90	108.62	59.03	20.69
E-9	570.00	334.50	119.89	58.68	21.03
W-1	407.00	266.70	57.75	65.53	14.19
W-2	512.00	315.30	92.86	61.58	18.14
W-3	600.00	350.40	127.91	58.40	21.32
W-4	686.00	414.90	131.97	60.48	19.24
0-1E	402.00	253.20	67.27	62.99	16.73
0-2E	493.00	295.20	97.81	59.88	19.84
0-3E	616.00	366.60	124.46	59.51	20.20
0-1	402.00	253.20	67.27	62.99	16.73
0-2	493.00	295.20	97.81	59.88	19.84
0-3	616.00	366.60	124.46	59.51	20.21
0-4	768.00	452.70	159.53	58.95	20.77
0-5	836.00	493.80	172.64	59.07	20.65
0-6	877.00	523.20	175.93	59.66	20.06
0-7	906.00	570.00	152.24	62.91	16.80

PERMANENT CHANGE OF STATION

Question. Please explain what changes the Department has made in its PCS policy. Have the Services implemented these changes?

Answer. During the past year the Department made a number of policy improvements to its Permanent Change of Station program designed to control the number of moves and costs. Specific changes made by the Department were:

Waiver Level: All exceptions to policy must originate at the general/flag officer level and be approved by the Service Secretary; this may be delegated to no lower than the general/flag officer at Personnel centers. This is key to our efforts to reduce unnecessary moves.

CONUS Operational Moves: Now require two years retainability for Service members being reassigned within CONUS.

Intratheater Reassignments: Require that members being reassigned on consecutive overseas tours (COTs) serve the prescribed tours at both locations; waivers are authorized under certain circumstances.

Family Separation Allowance (FSA) Type II: Pay FSA-II only when the member is assigned to a dependent-restricted tour area, except when members who, through no fault of their own, must relocate unaccompanied when (1) ordered to a new overseas duty station where certified medical reasons involving family members or terrorist activity would make it inappropriate for dependents to accompany the member, and (2) when ships in overhaul for 12 months or less make temporary home port changes.

Mileage Rule: Adopted a 350-mile per day rule for travel.

TLE Computations: Align the computation procedures for TLE with those for TLA.

Alaska-Hawaii Tour Changes: Require a minimum of 36-month tour with no mandatory rotation date; not applicable to remote areas.

Tour Increases: Eighteen areas increased to 36 months accompanied, while another 10 areas increased from their present length to a longer tour.

First Term Personnel: Increased minimum tour length for first termers from 18-months to 24 months without impacting on readiness.

The Services have implemented all the changes recommended by the Department's PCS Program. New PCS policies were announced in April 1986 as a result of the PCS Study.

We continue to examine the effectiveness and efficiency of the PCS program to identify ways to reduce movements of members and their families consistent with national security requirements.

Question. What percentage of the PCS budget is for overseas moves? How much is for moving dependents to and from overseas?

Answer. Overseas (rotational) moves account for 50.05 percent of the PCS budget. The costs associated with rotational moves include member and dependent travel, dislocation allowance, trailer allowance, POVs, port handling charges, and transportation of household goods. Dependent travel constitutes 21 percent of the cost involved in rotational moves, while member travel accounts for approximately 53 percent; balance of other rotational move costs do not differentiate between member and/or dependent status.

1987 SUPPLEMENTAL REQUEST

Question: The Department's 1987 supplemental request includes over $1 billion for personnel related programs: overseas station allowance, pay raise, CHAMPUS and training/related support. Please rank this request in order of priority. The Budget Act does not allow supplemental appropriations without offsetting outlay reductions. What programs do you recommend that the Congress reduce to fund these supplemental requirements?

Answer: All of these personnel related programs are of equal priority. They are, in fact, entitlement driven costs that must be paid and in that context must be regarded as the highest priority of the items in the supplemental request. This does not in any way diminish the importance of the other programs in the supplemental. A preferred alternative to reducing any of these vital programs would be for the Senate to muster enough votes to waive the Budget Resolution restriction on outlays.

Question: The Department: 1) is overstrength; 2) has recently redefined upward the baseline for determining cost of living adjustments; and 3) paid 75% for reenlistment bonuses in October, even though it knew Congress would enact a 50% limit in the 1987 Continuing Resolution. It appears that the Department's actions are going the wrong way--they all add unbudgeted costs in 1987. What actions are being taken to reduce personnel expenditures in 1987 to offset overseas station allowance increases?

Answer: The Services are reviewing all military personnel programs and reducing, eliminating or deferring expenses wherever possible. Funding deficiencies created by increased overseas station allowances exacerbate the problems created by Congressional reductions to the FY 1987 budget request. Those reductions have required the deferral of promotions, early release of military personnel and a rephasing of accessions. To the extent that overseas station allowances exceed the amounts requested in the FY 1987 DoD Supplemental Budget Request, funding will have to be provided through reprograming from other DoD resources.

Morale, Welfare and Recreation (MWR)

Question: In 1987 Congress reduced appropriated fund support for MWR activities by $69.5 million and directed that support be eliminated for revenue generating MWR activities, e.g., golf courses, in metropolitan areas of the United States. The $69.5 million was our best estimate for this policy change. Since the Department has since identified which installations and MWR activities would be affected, what level of support can be reduced in 1988 based on this policy change? Is the Department considering reducing appropriated fund support for other types of MWR or NAF activities?

Answer: The appropriated fund support for revenue-producing morale, welfare and recreation activities in metropolitan areas in the United States will be eliminated in accordance with the law. The actual elimination of support for these activities exceeds the Services proportionate share of the $69.5 million. Accepting the underlying premise for the cut the Services at OSD's direction have reprogrammed amounts over their proportionate share into MWR activities that are not revenue-producing such as libraries, child care and youth programs.

The actual impact is estimated to be $89.4 million. However, it should be noted that this is an approximation based on our interpretation of the General Provision.

The Department is preparing to further reduce appropriated fund support to revenue-producing MWR activities in accordance with HASC guidance. Essentially, this guidance requires revenue-producing activities to be self-sustaining based on operations. Appropriated fund support would be limited in most cases to indirect support such as fire, safety, general grounds maintenance, etc.

Comparison of Combat to Combat Support

Question: Please provide a comparison of combat to combat support as defined by the Nunn amendment for fiscal years 1973, 1980, 1985, and 1987 (estimate) for: 1) all DoD forces; and 2) U.S. forces in Europe.

Answer: The Department previously reviewed this issue as a result of the tasking contained in the Department of Defense Authorization Act, 1984. Our classified response, the DoD Report on the Combat-to-Support Ratio of United States Forces in Europe, was forwarded to the Committee on Armed Services in July of 1984 and was the product of nearly ten months of effort on the part of the Services and contractor personnel. It contains tabulations of the various Service combat-to-support ratios, derived from applying the Nunn amendment definitions, for the years 1974 through 1985.

Any ratio of combat to support can fluctuate markedly depending upon the definitions used. The definition of combat components used in the Nunn amendment to Public Law 93-365 does not consider the division as the basic Army combat unit, nor does it recognize other Army units that perform combat missions, such as those responsible for chemical decontamination and detection, combat electronic warfare, and Military Police. Navy ratios fluctuate because of the nature of battle group deployment and contingency operations in effect on the last day of the fiscal year when actual data are reported. Clearly, the resultant ratio of combat-to-support will not accurately reflect the proportion of units that would likely engage with an enemy.

It must also be underscored that such a subjective accounting process obscures the absolute necessity for units farther removed from the front lines whose missions are to ensure that "combat" units are as efficient as possible for as long as necessary. Our forces are structured to accomplish their missions in support of national objectives. No "support" or "overhead" or "tail" resources are programmed which are not needed, directly or indirectly, for that task.

(CLERK'S NOTE: The classified report referred to is in the Subcommittee files.)

Military/Civilian Dependents Overseas, FY 1982-FY 1986

Question. Please provide the total number of military and civilian, dependents, including non-command sponsored dependents, for U.S. forces in NATO/Europe. Please provide this data annually for fiscal years 1978 through 1986.

Answer. The attached table depicts the total number of military and civilian dependents in NATO/Europe[1], FY 1978-FY 1986. Only those non-command sponsored dependents reported by the sponsoring military member are accounted for.

A breakout of military dependents by command and non-command sponsorship for NATO/Europe as of September 30, 1986 is as follows. Information for prior years for Europe is however not readily available.

	Command Sponsored	Non-Command Sponsored	Total
Army	176,894	8,693	185,587
Navy[2]	15,829	444	16,273
Air Force	102,466	2,425	104,891
Total	295,189	11,562	306,751

Notes:

1. NATO/Europe includes all NATO countries, Austria and Switzerland.
2. Navy includes USMC.

DoD Dependent Strengths in Europe
By Service, FY 1978-FY 1986

	FY 1978	FY 1979	FY 1980	FY 1981	FY 1982	FY 1983	FY 1984	FY 1985	FY 1986
Army									
Mil	105,502	171,183	166,660	166,670	169,664	170,658	169,709	170,799	185,587
Civ	8,232	9,252	10,132	9,340	9,896	12,325	11,183	11,074	11,085
Total	113,734	180,435	176,792	176,010	179,560	182,983	180,892	181,873	196,672
Navy									
Mil	16,844	14,938	13,743	15,228	14,996	17,036	16,622	16,898	16,273
Civ	627	378	239	297	217	519	789	1,030	1,306
Total	17,471	15,316	13,982	15,525	15,213	17,555	17,411	17,928	17,579
Air Force									
Mil	99,799	96,259	92,253	85,969	81,777	88,154	98,304	101,986	104,891
Civ	3,061	3,507	3,379	3,577	3,623	3,668	3,122	3,363	3,586
Total	102,860	99,766	95,632	89,546	85,400	91,822	101,426	105,349	108,477
Defense Agencies									
Civ	427	416	429	429	339	428	359	555	403
Total Dependents	234,492	295,933	286,835	281,510	280,512	292,788	300,088	305,705	323,131

* Marine Corps dependents are subsumed within Navy.

**Non-command sponsored dependent figures are subsumed within their respective Service.

DoD Schools

QUESTION: Please provide the total number of DoD Schools, teachers and students for overseas by location for fiscal years 1978 through 1986.

ANSWER:

REGION TOTALS	NUMBER OF SCHOOLS	NUMBER OF TEACHERS (PL 86-91)	NUMBER OF STUDENTS
1978	258	7,087	138,344
1979	262	6,964	134,577
1980	273	7,739	132,387
1981	279	7,963	130,444
1982	272	7,619	135,218
1983	271	8,298	140,884
1984	270	8,814	147,005
1985	270	9,140	150,493
1986	270	9,196	151,947

ATLANTIC REGION	NUMBER OF SCHOOLS	NUMBER OF TEACHERS (PL 86-91)	NUMBER OF STUDENTS
1978	12	224	3,601
1979	12	246	4,667
1980	42	701	12,477
1981	42	716	12,668
1982	40	723	11,880
1983	40	894	14,695
1984	42	1,002	15,278
1985	44	1,047	16,196
1986	44	1,066	16,173

PACIFIC REGION	NUMBER OF SCHOOLS	NUMBER OF TEACHERS (PL 86-91)	NUMBER OF STUDENTS
1978	38	1,262	23,457
1979	39	1,195	23,190
1980	41	1,204	22,423
1981	41	1,204	22,409
1982	40	1,275	24,408
1983	40	1,285	24,592
1984	39	1,489	25,532
1985	39	1,597	26,538
1986	39	1,616	27,212

EUROPE REGION	NUMBER OF SCHOOLS	NUMBER OF TEACHERS (PL 86-91)	NUMBER OF STUDENTS
1978	208	5,601	111,286
1979	211	5,523	106,720
1980	Note 1		

GERMANY REGION	NUMBER OF SCHOOLS	NUMBER OF TEACHERS (PL 86-91)	NUMBER OF STUDENTS
1980	138	4,536	75,470
1981	140	4,753	73,688
1982	143	4,328	77,080
1983	142	4,381	78,180
1984	141	4,939	83,111
1985	140	5,124	85,273
1986	140	5,225	86,256

MEDITERRANEAN REGION	NUMBER OF SCHOOLS	NUMBER OF TEACHERS (PL 86-91)	NUMBER OF STUDENTS
1980	36	769	13,227
1981	40	775	12,970
1982	33	829	13,889
1983	33	1,277	14,375
1984	33	907	14,149
1985	32	909	14,855
1986	33	858	14,622

PANAMA REGION	NUMBER OF SCHOOLS	NUMBER OF TEACHERS	NUMBER OF STUDENTS
1980	16	529	8,790
1981	16	515	8,709
1982	16	464	7,961
1983	16	461	9,042
1984	15	477	8,935
1985	15	463	7,631
1986	14	431	7,684

Note 1 Europe Region was disestablished in FY 1980. Germany, Mediterranean, and Panama Regions established.

Question: Please provide a summary of total costs of U.S. forces in Europe and Japan for fiscal years 1978 through 1987 (estimate).

Answer: The DoD is now preparing this year's report on U.S. Expenditures in Support of NATO. This report, which is prepared in accordance with Public Law 98-525, provides a great deal of information on U.S. force costs. It should be available in early May.

RECRUITER PRODUCTIVITY

Question: Please provide a comparison of the enlistment to recruiter ratios for the Army, Navy, Air Force, Marine Corps and Reserve Components.

Answer: The following table compares the enlistments (prior and non-prior service) per recruiter workyear for enlisted force recruiting in FY 1986. Differences in recruiter productivity are the result of many factors such as the relative attractiveness of the Services and availability of skill training opportunities, the resource levels required to attract recruits, and length of enlistment.

Recruiter Productivity

Service/Component	Enlistments Per Recruiter Workyear
Active	
Army	20
Navy	28
Marine Corps	18
Air Force	45
DoD	24
Reserve*	
Army Reserve	55
Army NG	35
Navy Reserve	34
MC Reserve	23
AF Reserve	55
Air Guard	37
DoD	40

* Reserve recruiter productivity exceeds active force recruiter productivity because of the large number of reserve enlistments with prior service. Over 55 percent of the reserve enlistments in FY 1986 had prior-service experience.

RECRUITMENT ADVERTISING

Question: Please provide an evaluation of Defense-wide joint advertising programs versus Service advertising programs.

Answer: In the area of recruitment advertising, we are continually seeking ways to improve our advertising strategies and campaigns to provide cost-effective support for our field recruiters and recruiting managers. The findings of a year-long, national advertising field experiment conducted in FY 1984 support the hypothesis that the total DoD advertising budget can be reduced and certain economies and efficiencies achieved by increasing reliance on the Joint Recruiting Advertising Program (JRAP). We have already taken action to phase in a 25-percent reduction to the total DoD advertising budget during the FY 1988-FY 1992 period.

Achieving these economies requires an integrated DoD advertising strategy which maximizes and exploits the advantages of both Joint (corporate-type) advertising and Service (product-specific) advertising. This strategy should have the following foundation: (1) The primary purpose of the Joint Recruiting Advertising Program (JRAP) is to complement and support the recruiting and advertising efforts of the Military Services; (2) JRAP's role is to enhance cost effectiveness by providing corporate, umbrella-type, national-level awareness advertising (predominantly on national television) while the Services conduct "product" advertising at the local and regional level, focusing more on lead-generation advertising. The need exists for both types of advertising. Each Service does have its own unique message or "product" to sell. For this reason, each Service should retain its own advertising budget, a budget sufficient to allow it to communicate its message to the target audience using various media.

JRAP complements and supports Service recruiting and advertising efforts by focusing on awareness of the benefits and opportunities common to all Services. JRAP provides support for the Services collectively, support that would cost considerably more if each Service were to fund such support individually. Joint programs run the gamut and include national television advertising, direct mail to Selective Service registrants, an annual DoD magazine for 3.2 million high school seniors, production and distribution of GI Bill brochures, and the purchase of prospect lists and industry reports for dissemination to the Services.

However, if a unified strategy involving increased reliance on the JRAP is to be successful, a proper balance between JRAP (corporate) and Service-specific (product) advertising is essential. We should not reduce Service advertising budgets, require them to increase their reliance on JRAP and then drastically cut the JRAP. The Services have had successful recruiting results during the past few years. We know our Nation's economy has had an impact on recruiting, but we believe advertising has also contributed significantly to our success. As the economy improves, the enlistment-age youth population declines, and the demand increases for high-aptitude youth with more education, the recruiting environment will become more difficult and advertising will play an even more important role.

Morale, Welfare and Recreation (MWR)

Question: We understand the Army is examining the possibility of running a lottery in Europe, proceeds from which will go to support MWR activities. Are any appropriated funds being used or are planned to be used for this activity? Please provide the current status of this program.

Answer: Yes, the Army has been examining the feasibility of conducting a lottery in Europe. However, the Army has announce that a decision not to pursue the program has been reached. Nevertheless, had their decision been otherwise, the program was to be funded totally with nonappropriated funds. The plan, to the extent it was developed, called for the lottery program to be operated much like the slot machine program, which receives no direct appropriated fund support.

Questions Submitted by Senator Hollings

ALL-VOLUNTEER FORCE

Question: In your statement, you indicate that a return to conscription would add $2.5 billion to the budget. Since recruitment costs are over $1 billion annually -- and essentially all of this funding would be saved if we returned to a draft -- what type of draft system would cost the DoD another $2.5 billion on top of a $1 billion savings? How would the estimate of $2.5 billion change if current pay scales for E-1s through E-3s were reduced by 50% to 75%. CBO has indicated that a return to the draft -- with reduced entry level pay scales -- would save at least $1 billion a year.

Answer: Your assumption that all recruiting costs would be saved by a return to a draft is incorrect. Maintaining an extensive network of processing facilities to administer physical and aptitude examinations would be neccessary even with a draft. Likewise, costs to transport, feed and house prospective conscripts would also be incurred. Maintaining a field recruiting force would also be necessary even with a draft to recruit high-aptitude individuals for longer terms of service than provided by the draft. For example, during the peak of the Vietnam draft, the Services maintained a field recruiting force numbering about 7,000, or about 40 percent of what we have today.

In addition, draftees have traditionally served for only 2 years. Replacing 3- and 4-year volunteers with 2-year draftees would increase annual accession requirements by about 100,000 to maintain the same trained end-strength. This would significantly increase training, equipment and PCS costs, and require the assignment of more careerists to the training base. Some manpower analysts have estimated this additional cost alone at about $1 billion yearly.

Clearly, there is widespread disagreement about the true costs of returning to conscription. The estimate included in my statement was based on keeping recruit quality at or near current levels and maintaining the first term/career force mix at about what it is today in order to preserve force effectiveness. On the other hand, the 1982 CBO estimate was based on returning to a draft similar to the Vietnam era draft. This would significantly reduce entry level quality (if the draft were truly representative, it would produce about 75 percent high school diploma graduates and 69 percent with average or above aptitude vs 92 percent high school diploma graduates and 96 percent average or high aptitude prople under the volunteer concept). It would also alter the first-term/career force mix and produce a much larger percentage of inexperienced first-term personnel. The CBO analysis also made no effort to preserve current quality and force effectiveness; it would undoubtedly save money but do so at the expense of reduced military capability. On the other hand, the estimate included in my statement was intended to illustrate the costs of returning to conscription while maintaining today's military capability -- not settling for some reduced level of capability solely to save money.

Question: Your testimony cites the demographic issue in meeting recruiting goals of the 1990s and indicates there will be no problems because of increasing female participation. Since we already have some shortages in critical combat skill areas, does your statement infer women in combat? If not, do you still contend you'll meet all goals in the 1990s for those skills that only men can perform?

Answer: No, we do not anticipate using women in combat. While it is difficult to predict that we will never have shortfalls in any skill, our experience to date is that with reasonable funding for recruiting and incentive programs we should be able to meet our accession requirements. Our most common shortages occur among experienced career personnel in arduous or high-demand skills. Such problems must be addressed through retention incentive programs; they should not be addressed by a return to conscription.

Question: You refer to conscription as one creating unnecessary and unwanted problems. How does one conclude that the responsibility of national security when shared by all in our society is an unnecessary and unwanted problem?

Answer: Conscription for the Armed Forces has been used for only about 35 out of the 210 years since the Declaration of Independence. In that time, we have never had an equitable draft - one that required all in our society to participate. The principal problem with a draft is that the Armed Forces do not need all of the eligibles to serve in order to meet their manpower requirements. In fact, even if we refused to accept volunteers and drafted only from the 18- and 19-year old male population, less than 25 percent of those qualified would be required to serve each year. If we use the CBO approach, and slash recruit pay by 50 to 75 percent, then the 25 percent who serve are burdened with career interruptions and artificially low wages. This hardly sounds like a responsibility shared by all in our society. In reality, conscription simply transfers the burden to a relatively small percentage of the Nation's youth.

On the other hand, the volunteer force does ensure the responsibility is shared by all -- through the tax system. Every taxpayer, young and old shares in the cost of providing manpower for the National defense - not just the 25 percent of the Nation's youth who would be forced to serve against their will. The volunteer force provides an added dimension as well - improved recruit quality, improved retention, and overall enhanced military capability -- and only those who truly want to serve do so.

Question: What is unfair about making an equal call on all to defend our nation -- whether rich or poor, educated or uneducated, minority or white?

Answer: Conceptually, there is nothing wrong with making an equal call on all to defend our Nation. In fact, under the current standby registration system all 18-year old males are required to register and could be called to service upon declaration of a national emergency. In manning the peacetime force under conscription, however, not all would be required to serve in order to satisfy military manpower requirements. Why then force the unwilling to serve when we can attract sufficient numbers of high-quality "true" volunteers to meet our military manpower requirements? As I indicated earlier, peacetime conscription is not needed and would simply transfer the defense burden to those who would be forced to serve against their will.

Question: The return to conscription is not primarily to satisfy manpower requirements -- though all signs indicate it must (DoD allegations to the contrary) -- it's to get all the people involved in our defense, to obtain a commitment for national security from all of society. What is your response to this?

Answer: The volunteer force concept has satisfied this Nation's requirements for military manpower for over 13 years despite the continued decline in the size of the eligible youth population and improving economic conditions. If we remain committed to the policies that made the volunteer concept successful (competitive pay, reasonable quality of life for military members, and adequate recruiting and retention incentives), we can continue to satisfy the Nation's requirement for military manpower in the foreseeable future.

It is not clear how conscription would get all the people involved in our defense or how it would improve society's commitment to national security. If we drafted from among only 18-and 19-year old males, only about one out of four qualified eligibles would have to serve. In reality, conscription simply transfers the burden of serving to a relatively small percentage of the Nation's youth. Conscription for the Armed Forces has been used for only about 35 of the 210 years since the Declaration of Independence and, in that time, we have never had an equitable draft. Since only a small percentage of the Nation's youth would have to serve, there is no reason to suspect that we could develop an equitable draft today. Furthermore, it does not seem to make sense to deny entry to willing volunteers in order to force someone to serve against their will.

Finally, the volunteer concept has the widespread support of the American people (85 percent favored volunteerism in the latest nationwide survey conducted by the National Opinion Research Center of the University of Chicago), and has provided the Services with higher quality recruits than possible under a draft. There seem to be no compelling reasons to change the way we man the Armed Forces.

Question: Can you describe the DoD's plans for drug testing of its military personnel?

Answer: Urinalysis has been an important part of the drug abuse testing program since the early seventies. Acting on reports of widespread drug abuse in the late seventies and early eighties, each of the Military Departments expanded the use of urinalysis in 1981. During FY86 the Services tested 3.5 million specimens as compared to 2.7 million specimens for FY85. The testing for FY87 will continue at the rate for FY86. There has been a dramatic reduction in drug abuse rates since the program was initiated.

The Department of Defense has conducted worldwide surveys to determine the extent of drug abuse among service members. The last survey conducted in 1985 indicates an 8.9 percent drug abuse rate for service members taking any drug during the past 30 days as compared to a 19.0 percent rate in 1982. We believe that the dramatic decline in drug abuse is attributable in a large part to the drug testing program.

Current military drug testing policies permit collection of specimens in the following circumstances: inspection, search or seizure, as part of the command-directed examination, or as part of a medical examination. The use of random testing is an extremely important aspect of the drug abuse testing program. It provides an opportunity for commanders to test, without prior warning, both enlisted and officer personnel within their commands to determine the impact of drug abuse on the readiness of their units. Discharge figures and costs are not currently available for drug/alcohol offenders.

The results of the urinalysis drug testing have been upheld in numerous court-martial and administrative proceedings. Under our program, a specimen may not be reported as positive unless it has been confirmed as such by two rigorous scientific tests conducted by trained personnel in laboratories that must meet stringent certification requirements. The requirements for two independent chemical analyses, chain of custody from point of collection to completion of laboratory analysis, retention of laboratory reports, and freezing of positive samples for possible retesting are all examples of policy precautions taken to preclude false positives and to protect the right of service members.

Question: In 1985 and 1986, DoD provided me with data that indicated drug/alcohol treatment and rehabilitation costs at about $100 million per year. The DoD also stated that discharge costs for drug abuse were nearly $200 million a year. Finally, the lost time because of drug treatment and disciplinary action was about $80 million a year. Thus, the costs of the drug problem, was a minimum $400 million per year -- which is probably only a tip of the iceberg. Two years ago, at my urging the DoD was asked to do a study on the feasibility of implementing a program to detect drug use by persons accepted for entry in the Armed Forces but who have not yet become members of the Armed Forces.

In the report of the study, it was estimated that drug screening would cost $6 to $12 million a year, depending on how it was conducted. It was also stated that not more than 50% of discharge costs could be saved by pre-enlistment drug testing. It said discharge costs for drug abuse were $8.5 million -- or a figure one-twenty-fifth of what DoD had reported at another time. Can you clear up this disparity? Further, since the President has come out on the side of drug testing, wouldn't it be practical to require it before the DoD assumes a legal contract with recruits -- and thus avoid the many problems of drugs later in a recruit's military service?

Answer: The Department carefully studied the matter of pre-enlistment drug testing and determined that such a screening program would be largely ineffective in identifying experimental drug users. Our position remains unchanged. The aggressive in-service drug testing program is far more effective at detecting and deterring drug use by military members.

Question: Please provide the cost, by service, of drug and alcohol treatment and rehabilitation for FY 1985, FY 1986, and FY 1987 (projected).

Answer: The answer is provided on the attached charts:

DEPARTMENT OF DEFENSE
DRUG AND ALCOHOL ABUSE PROGRAM

FINANCIAL DATA (DOLLARS IN THOUSANDS)

	FY 1986		FY 1987		FY 1988		FY 1989	
	D	A	D	A	D	A	D	A
BIOCHEMICAL TESTING								
Army	18,588	3,599	10,245	0	12,444	0	14,020	0
Navy	30,540	557	31,911	576	33,776	620	34,536	627
Marine Corps	775	0	997	0	1,034	0	1,067	0
Air Force	2,492	0	1,667	0	2,552	0	3,484	0
TOTAL	52,395	4,156	44,820	576	49,806	620	53,107	627
EDUCATION								
Army	164	383	170	385	416	955	425	937
Navy	4,276	5,937	2,561	7,940	2,714	8,546	2,734	8,618
Marine Corps	775	158	806	191	836	198	863	204
Air Force	60	90	47	108	32	128	33	132
TOTAL	5,275	6,568	3,584	8,624	3,998	9,827	4,055	9,891
TREATMENT								
Army	1,634	4,018	2,767	6,671	4,309	10,269	5,629	13,347
Navy	5,685	15,727	4,003	19,072	4,631	20,389	4,412	20,523
Marine Corps	108	77	110	81	114	84	118	87
Air Force	1,114	6,792	1,148	21,019	1,098	18,657	1,114	18,720
TOTAL	8,541	26,614	8,028	46,843	9,882	49,399	11,273	52,677
TRAINING								
Army	56	132	70	140	316	710	325	725
Navy	1,622	1,968	1,077	2,592	1,066	2,733	1,082	2,810
Marine Corps	91	125	96	126	100	131	103	135
Air Force	160	239	124	288	85	341	88	352
TOTAL	1,929	2,464	1,367	3,146	1,567	3,915	1,598	4,022
EVALUATION								
Army	218	510	200	500	200	500	200	500
Navy	2,138	1,160	1,440	2,220	1,500	2,235	1,507	2,176
Marine Corps	0	0	0	0	0	0	0	0
Air Force	20	30	16	36	11	43	11	745
TOTAL	2,376	1,700	1,656	2,756	1,711	2,778	1,718	2,721
PERSONNEL COST								
Army	15,270	35,644	16,100	37,800	18,024	43,440	20,218	48,340
Navy	Included in functional categories							
Marine Corps	4,941	1,976	5,278	2,057	5,262	2,062	5,249	2,054
Air Force	8,346	35,382	8,705	36,970	7,502	39,095	7,531	39,461
	28,557	73,002	30.083	76,827	30,788	84,597	32,998	89,855
TOTAL								
Army	35,930	44,286	29,552	45,496	35,709	55,874	40,817	63,849
Navy	44,261	25,349	40,992	32,400	43,417	34,523	44,271	34,754
Marine Corps	6,690	2,336	7,287	2,455	7,346	2,475	7,400	2,480
Air Force	12,192	42,533	11,707	58,421	11,280	58,264	12,261	58,710
TOTAL	99,073	114,504	89,538	138,772	97,752	151,136	104,749	159,793
MANYEARS								
Army	1,891		1,894		2,109		2,109	
Navy	1,613		1,624		1,648		1,638	
Marine Corps	254		257		257		257	
Air Force	871		832		832		832	
	4,629		4,607		4,846		4,836	

Question: Please provide the number of personnel discharged for drug and alcohol abuse (by service) and identified by first-term enlistees, career enlisted, and officers. Provide for FY 1985, FY 1986, and FY 1987 (projected).

Answer: The following information is provided as a comparison of drug-related courts-martial from 1982 to 1985. FY86 figures are being compiled; there are no FY87 estimates.

The following is a comparison of drug-related courts-martial from 1982 to 1985.

	ARMY	NAVY	AIR FORCE	TOTAL
1982	1949	1569	901	4419
1985	1189	1289	504	2982

Question: What are the program costs?

Answer: Costs are not available.

Question: What are the estimated costs for lost time because of treatment and disciplinary action (by service) for FY 1985, FY 1986, and FY 1987?

Answer: There are no cost estimates for lost time.

QUESTIONS SUBMITTED BY SENATOR BYRD

Manpower Overview

Question: The Reagan Administration's FY 1988 budget proposes to slightly decrease active duty military strength by 2,000 (0.09%), the first reduction since a period of slow growth which began in FY 1979. At the same time, the Administration proposes to increase Selected Reserve strength by 23,000 (2.0%) in FY 1988. This latter increase, coupled with the drop in active force strength, suggests that fiscal pressures, possible future recruiting problems, and doubts about increasing active force structure when existing active units may not be adequately supported or equipped have combined to move the Administration closer to the Congress' position of restraining active force growth while building up the Reserve Components.

Although the Administration proposes a cut of 2,000 in active force strength in FY 1988, it is proposing a 12,000-person increase in FY 1989. This appears to be a one-time act of budgetary legerdemain to achieve short-term savings. Why is the Administration not planning a more orderly increase in manpower strengths if that is what is required by the end of FY 1989?

Answer: The FY 1988 military end strength is 1,850 authorizations below the FY 1987 authorization, broken out by Service as depicted below:

SERVICE	FY 1987	FY 1988	FY 1989
Army	780,800	780,900	780,900
Navy	587,000	593,200	602,800
Air Force	606,850	598,700	600,600
Marine Corps	199,600	199,600	200,100
TOTAL	2,174,250	2,172,400	2,184,400

As can be seen, the reduction in FY 1988 is the result of a reduction of 8,150 Air Force authorizations which were partially offset by a growth of 6,200 Navy billets as that service builds towards its 600 ship fleet. In FY 1989, Air Force end strength will increase by 1,900 to accommodate additional force structure/ modernization, readiness/sustainability, and command and control improvements.

Question: The Assistant Secretary of Defense (Reserve Affairs), Mr. Webb, has charged that the Army has placed too much of its support structure in the Reserve Components. How would you respond to assertions that although the Army's support for increased Reserve Capability is commendable, the Army has increased that capability in an unbalanced way--using Active Army slots almost exclusively for combat units so as to create the illusion of strength, despite the lack of Active Army support units that can sustain those combat units until Reserves have been mobilized?

Answer: The Army has structured its forces in consonance with the Total Force policy, attempting to create the most cost effective and combat capable mix of forces possible in a constrained budget environment. Although the percentages of various types of support units in the active and reserve components vary widely by functional area, some 67 percent of the Army combat service support forces are in the Reserve

Component. I generally share Mr. Webb's concern that those units need improvements in equipment, training, and manning, to more capably perform their vital combat missions. The CJCS is conducting a "net assessment" of our capabilities which should provide, among other things, additional information about the mix of forces that will best support our contingency plans. The Army has been redistributing equipment, improving training, and is now conducting a screen of Individual Ready Reserve availability. These actions, plus the feasibility study of creating augmentation units in the Selected Reserve by adding full time support personnel, are issues that are being closely tracked by my office and which we believe could improve the readiness and responsiveness of the Reserve forces.

THE NEW GI BILL

Question: The Administration has repeatedly stressed the importance of maintaining high manpower quality, and has touted that quality as one of our most important advantages over the Soviet Union's quantitatively superior military. Given the even more stringent restraints on our quantitative manpower growth, why, then, is the Administration proposing to reduce the benefits available under the New GI Bill, which Service officials have repeatedly testified is an outstanding incentive for recruiting high quality young men and women?

Answer: The Administration's proposal reduces the basic benefits now associated with shorter terms of service and requires recruits to enlist for longer terms to collect maximum education benefits. Benefits available to the Reserve Components will not be affected by the proposal.

Analysis of the test period for the New GI Bill as compared with a similar period for the Veterans' Educational Assistance Program (VEAP) shows that the percentage of AFQT Category I-IIIA high school diploma graduate enlistments increased by one percent for the Navy, Air Force, and Marine Corps combined, and by 11 percent for the Army. However, because of other concurrent recruiting incentive increases, such as the Army College Fund, it is not possible to attribute all of the Army's increase to the New GI Bill. The intent of the Administration's proposal to vary the basic benefit dependent on length of enlistment is to encourage recruits to enlist for longer terms of service, thus reducing overall recruiting and training costs. It is estimated that the proposed legislation could save as much as $400 million annually in outlays when the program reaches steady state. Based on the total package of recruiting incentives available, and the lack of a significant recruiting increase of the New GI Bill over VEAP, we believe the proposed legislation will have no negative effects on recruiting.

While post-service educational incentives are important for successful recruiting, alone, they are not sufficient to meet future Defense manpower requirements. Our ability to recruit successfully during a period of continuing economic recovery and declining youth population will depend on several factors. Competitive pay and benefits, continued maintenance of quality-of-life programs, and preserving military service as an honored profession are also essential for our future success. No single incentive or program can meet all the recruiting needs of the Services. We must pursue a balanced mix of recruiting resources, incentives and enlistment options that appeal to the broadest segment of the eligible youth population.

MANPOWER OVERVIEW

Question: The Administration has requested a 4.0% pay raise for military personnel in FY88, and has asserted that this is the minimum required to keep military compensation competitive with the private sector and insure continued recruiting and retention of high quality personnel. Given the Administration's long-standing public assertions that the turnaround in military personnel quality has been its most important defense policy achievement, would it not make sense to forego some major procurement or RDT&E items to fully fund the pay raise -- and thereby sustain this achievement?

Answer: The Administration's defense budget for both Fiscal Year 88 and Fiscal Year 89 is balanced between personnel, RDT&E and procurement programs. The funding request for the programs in our budget submission has been thoroughly reviewed and represents what we believe is needed to maintain a strong National defense posture. The achievement and sustainment of a quality military force continues to be one of our most important accomplishments. However, we must also provide our men and women the equipment and weapons systems that they require in order to do their job effectively. We must, therefore, maintain adequate funding for all of these programs and that is what our Fiscal Year 88/89 budget request does.

ALL-VOLUNTEER FORCE

Question: Citing the undeniable recruiting and retention successes of the past several years, the Administration continues to support the principle of voluntary military service. How do you respond to assertions that this is a narrow, short-range view -- that it does not take into account practical problems such as declining manpower pools and greater labor force competition for youth of military age, and ignores philosophical issues such as the fundamental responsibility of Americans to serve their country for more transitory phases of pro-military sentiment? Put another way, should the ability of the United States to man a military force of adequate size, reserve mobilization potential, and quality be at the mercy of economic expansions and recessions, and of swings in public mood from "hell no, we won't go" in one decade to "Top Gun" and "An Officer and a Gentleman" in another?

Answer: The volunteer force concept has satisfied the Nation's requirements for military manpower for over 13 years, and will continue to do so in the foreseeable future. The effect of the declining manpower pool has been largely overstated. Remember that the size of the eligible manpower pool peaked in 1979, the only year in the history of the volunteer force that all Services failed to achieve their recruiting objectives. Each year since then, the size of the eligible manpower pool has been smaller yet the Services have achieved their manpower objectives and recruit quality has improved as well. Our commitment to policies that provide for pay comparable with the private sector and reasonable quality of life to military members, and adequate recruiting resources and incentives have enabled the Services to counter these demographic changes and will help to ensure the continued success of the volunteer force concept.

The issue you raise with respect to the fundamental responsibility of Americans to serve their country, while interesting from a philosophical standpoint, is best resolved by the Congress and the American people - not the Defense Department. It does seem, however, that at least in peacetime, a strong counterargument could be made that in a democratic society which was founded on the belief that citizens should be free inherently includes the freedom to choose their own occupation, unencumbered by government inteference. As long as we can continue to man a peacetime military force of adequate size with willing volunteers, as augmented by the current standby registration system for use in the event of national emergency, there seems to be little point in considering any alternate form of military manpower procurement involving mandatory service.

OFFICER REDUCTIONS

Question. In implementing the first year of the officer strength reductions mandated by the FY 87 DoD Authorization Act -- 1% from end FY 86 levels by the end of FY 87, another 2% by the end of FY 88, and another 3% by end FY 89, for a cumulative 6% from FY 86 -- DoD appears to be making disproportionate cuts in Army and Air Force officer strength while leaving the Navy relatively unscathed. The rationale for this apportionment of the cuts is that the Navy will be adding more ships to the fleet and otherwise increasing force structure. However, the Army has documented at some length its need for more officers in combat leadership positions at the small unit level and is fielding numerous new combat units in its light infantry divisions, and the Air Force has also been adding force structure. What makes Navy officer requirements sacrosanct? Why is DoD appearing to make the tacit assumption that the Navy's officer personnel requirements have been better documented, and more carefully scrubbed, than those of the other Services?

Answer. In order to comply with the congressionally-mandated active duty commissioned officer reduction in FY 87, the Secretary made an arbitrary allocation decision using the FY 87 programmed officer end strength as a basis for the calculation. Each Service presented valid arguments as to why they should be spared in the reduction. The decision by the Secretary was to deny the Navy programmed growth of 1,576 officers in FY 87 and to apportion the remainder of the cut among the other three Services based on relative officer corps size. Thus, the allocation among the Services from the FY 87 programmed base is: Army - 1,677, Navy - 1,576, Air Force - 1,698, and Marine Corps - 308.

There has been no assumption made that any Service has better data on officer requirements than another. The Secretary directed the ongoing officer requirements study so that any future officer cuts could be made based on valid requirements rather than in an arbitrary fashion.

QUESTIONS SUBMITTED BY SENATOR DECONCINI

OFFICER REDUCTIONS

Question. I understand that the Department does not want to jump to conclusions on its officer requirements study, but if existing law does not change, the Department will be expected to make a two percent reduction in 1988. How will these reductions be allocated between Services and within Services? What legislative changes for officer management would be needed to ensure that the reductions are distributed evenly throughout the force?

Answer. There will be no decision on the allocation of the proposed FY 88 cut among the Services until the results of the requirements study have been made available and analyzed.

To ensure that the reductions are compatible with prudent force management, temporary legislation may have to be enacted to provide the Military Departments with greater management flexibility including exploring the option of separating regular officers. This would effectively remove the barrier of invulnerability that exists for approximately half the officer corps (those regular officers who have more than five years of service and have not been nonselected by promotion boards). It also would supersede the current law on eligibility requirements for retirement in grade for O-5's and O-6's and greatly expand the current selective early retirement provision (10 USC 638).

Question. The Congress did not cut overall end strength when it mandated officer reductions. The reduction of officers in 1987 was also an increase of enlisted personnel. This committee specifically funded these enlisted personnel in our 1987 bill. Where are these enlisted being allocated? What type of activities are they assuming.

Answer. The allocation decision by the Secretary of Defense was made on February 2 of this year. The Secretary did not want to make the decision until after the ongoing officer requirements study was complete. The same is true with the utilization of enlisted for officers. Until the study is complete, it is difficult to state what billets can be allocated to enlisted personnel. It is anticipated, however, that some billets in the areas of supply and logistics, communications, data processing, etc. can be filled by qualified senior enlisted personnel. This does not necessarily mean that there will not be a discernible decrease in efficiency and effectiveness. Additionally, there are some billets that will not be transferable to enlisted personnel due to advanced education and training qualifications that only selected officers possess.

THE NEW GI BILL

Question: The New GI Bill expires in the fourth quarter of 1988. The Administration proposes to reduce benefits and have Defense pay the bill instead of the Veterans' Administration. How would this effect retention and recruitment?

Answer: Our proposal reduces the basic benefits now associated with shorter terms of service and requires recruits to enlist for longer terms to collect maximum educational benefits. Benefits available to the Reserve Components will not be affected by the Administration's proposal.

The effect of the New GI Bill on active force retention is not yet clear since those who initially enrolled have not completed their initial terms of service. However, we would expect that if truly motivated to enlist by the educational benefits offered under the New GI Bill, participants would leave the Service to utilize those benefits. Since the Administration's proposal reduces the basic benefits associated with shorter terms of service, we believe that the proposed changes will dampen the negative effect on retention.

Analysis of the test period for the New GI Bill as compared with a similar period for Veterans' Educational Assistance Program (VEAP) shows that the percentage of AFQT Category I-IIIA high school diploma graduate enlistments increased by one percent for the Navy, Air Force, and Marine Corps combined, and by 11 percent for the Army. Nevertheless, because of other concurrent recruiting incentive increases, such as the Army College Fund, it is not possible to attribute all of the Army's increase to the New GI Bill. The intent of the Administration's proposal to vary the basic benefit dependent on length of enlistment is to encourage recruits to enlist for longer terms of service, thus reducing overall recruiting and training costs. It is estimated that the proposed legislation could save as much as $400 million annually in outlays when the program reaches steady state. Based on the total package of recruiting incentives available, and the lack of a significant recruiting increase of the New GI Bill over VEAP, we believe the proposed legislation will have no negative effects on recruiting.

The Department of Defense (DoD) already funds both the Reserve Component educational benefits portion of the New GI Bill program and the "kicker" benefits (Army College Fund and Navy Sea College Program). Transferring the responsibility for funding the basic benefit from the Veterans' Administration to the DoD will place complete policy and fiscal responsibility for the New GI Bill with one agency and will permit the DoD a more integrated approach to the use of education benefit entitlements in support of its recruiting incentive program.

Army Information Systems Command

Question: There has been some indication that the Information Command School at Ft. Huachuca in Arizona is under study for collocation with Ft. Devens in Massachusetts. According to recent studies, collocation has been determined to be politically impractical, bad for morale, and neither economical nor feasible for the Army's overall mission. What can you report to me regarding this issue?

Answer: At the present time, there has been no determination made on the practicality, cost effectiveness, or impact on Army morale of moving the Information Systems Command Headquarters to Ft. Devens, Massachusetts. While some preliminary study has been done on this issue, it has only established a requirement to accomplish a realigment study which would consider the ramifications of such a complex and resource-intensive move.

Religious Apparel

Question: In your testimony, you address the problems of permitting military personnel to wear neat and conservative religious apparel that does not conflict with their uniforms. You state that this type of legislation invites contention, conflict and litigation. The intent of the proposed legislation is to permit religious expression and commitment by Service members, not to create dissent. How do you reconcile the differences with the Congressional proposal and your valid concerns?

Answer: After an exhaustive review of the extremely sensitive and emotional topic, we believe that the resultant policy provides the Service member the greatest amount of flexibility in the practice of his religious beliefs while providing the unit the uniformity necessary to carry out its military mission.

In 1985, under a mandate from Congress, the Department convened a Joint Service Study on Religious Matters to study ways to minimize the potential conflict between a member's religious expression and commitment and the military's interest in discipline. It was concluded that uniformity plays a very important role in creating and maintaining the spirit of a military force and that visible exceptions would be obstructive and bring the conclusion that some religious groups would be receiving special treatment. This inequity would adversely affect a unit's cohesion and spirit, and foster questions of legality.

As a result of the study, Department of Defense Directive 1300.17, "Accommodation of Religious Practices Within the Military Services" was issued. It established the current policy that accommodation of religious practices should be allowed by commanders if it does not impact readiness, cohesiveness, standards, or discipline. Visible religious items worn with the uniform can be permitted only in designated living spaces and only if it does not disrupt unit cohesion.

Enactment of the proposed legislation would put unit commanders in a position of judging whether a questionable item is neat, conservative, and unobtrusive. Moreover, they would have to make judgments as to whether the item constituted apparel and whether its wear was sincerely based in the legitimate practice or belief of a religious faith group. Such subjective decisions would lead to perceived inequities and promote divisiveness and religious tension, resulting in the eventual destruction of unit cohesion.

Officer Reductions

Question: In regards to officer reductions, it has been suggested that a reevaluation of the forward deployed forces, especially those in NATO countries, may be necessary. Does this suggest a reduction in American officers stationed in NATO countries, and if so, are we looking to incorporate more personnel from these countries?

Answer: On April 16, 1987, the Secretary of Defense signed out a report to Senator Stennis and Representative Whitten on US Commitments Overseas. The report concluded that there is no feasible method of simultaneously reducing US forces in Europe and continuing the effectiveness of US and NATO efforts to meet critical NATO defense needs. Additionally, the FY 1988-89 budget provides for increases in Europe manpower (officers and enlisted) for Ground Launch Cruise Missile (GLCM) and several conventional programs that enhance capability in Europe.

Question. Secretary Cox, I have read in the December 1, 1986 issue of Army Times that the "Army's leadership strongly opposes the Cox plan, as does the Air Force." The Army expected to take larger cuts, but the planned reduction of 1,800 officers is about 500 more than their "worst case" scenario. How do you justify such deep cuts in this one Service while promoting actual growth in forces for the Navy?

Answer. The Cox plan that the article alluded to was one of several alternative allocation options that were discussed with the Services during the deliberation period leading up to the Secretary's decision on the allocation on 2 February. The Secretary decided on another option which uses the FY 87 programmed officer end strength as a basis for calculating the allocation of the remainder of the total cut after programmed growth is denied to the Navy. The allocation among the Services is as follows: Army - 1,677, Navy - 1,576, Air Force - 1,698, and Marine Corps - 308. As a percentage of the FY 87 programmed officer end strength, the Navy, not the Army, absorbs the deepest cuts.

There was no option that received the support of all the Services. No Service volunteered to reduce its officer strength. Every allocation plan that we considered had its advocates and its adversaries. If the Department has to effect any future reductions, it is our hope that the results of the ongoing officer requirements study will prove beneficial in the decision-making process.

QUESTIONS SUBMITTED BY SENATOR REID

474th TFW Deactivation

Question: With the Soviets currently enjoying a strong advantage in conventional forces, and with long-term plans to increase our tactical forces to 40 wings, do you believe it is in our best interests from a national defense viewpoint to deactivate the 474th Tactical Fighter Wing at this time?

Answer: Fiscal constraints caused the Air Force to deactivate a tactical fighter wing (TFW). The 474th TFW was selected due to over crowding at Nellis Air Force Base. Currently, the Nellis range complex is operating beyond maximum planned capacity due to expanded testing, training, and Red Flag operations. Ramp space is similarly over crowded. The quality and amount of training available for 474 TFW crews suffered as a result. The F-16's of the 474th are being realigned to the Guard: 18 to Atlantic City, NJ; 8 to McConnell, KS; 18 to Dannelly Field, AL; and 18 to Fort Smith, AZ.

Question: What will be the impact of this deactivation on our end strengths?

Answer: More than 1,900 active military manpower billets were affected by this decision, and contributed to the overall reduction of more than 8,100 Air Force requirements in FY 1988.

BCOMMITTEE RECESS

Chairman STENNIS. Thank you very much. The subcommittee will recess now, subject to the call of the Chair.

[Whereupon, at 11:01 a.m., Tuesday, March 10, the subcommittee was recessed, to reconvene at the call of the Chair.]

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